

RebaseBook 2008

July 11, 2008

Division of Developmental Disabilities
1789 W. Jefferson
Phoenix, AZ

RebaseBook 2008
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INTRODUCTION

The Arizona Department of Economic Security, Division of Developmental Disabilities (the Division or DDD) is required by statute to “rebase” the rates paid to community based providers of services to its clients every five years. This RebaseBook documents the rate rebasing activities of the Division that were conducted in SFY 2008 for the services which had rates originally set for SFY 2004.

This version of the RebaseBook is being released, together with the *Provider Cost Survey – Final Report* for public comment. Once public comment has been received and considered, the new Benchmark rates will be established and submitted to AHCCCS for review. Because the rebase study and establishment of Benchmark rates are independent of funding considerations, Adopted rates will not change without additional legislative appropriations. After the establishment of the new Benchmark rates, a long term strategy will be developed based on funding requirements and availability for the implementation of new Adopted rates.

This RebaseBook is similar to the Division’s RateBook that is published pursuant to statutory directive every time the Division’s rates for community services change. ***It is important to note that this RebaseBook does not contain the rates that will be paid by the Division during SFY 2009.*** This RebaseBook is the documentation of the rebasing effort that is being released for the purpose of soliciting public comments on the Division’s rebasing efforts. Until further notice rates to be paid during SFY 2009 will be based on the February 2008 RateBook¹.

This RebaseBook is composed of the following sections:

- Rebasing Background
- The Rebasing Process
- Summary of Proposed Changes to Existing Rates
- General Methodologies for Rebased Rates
- Specific Methodologies for Each Service
- Proposed Models for Rebased Rates
- Proposed Rebased Rate Schedule
- Appendices

Interested parties may submit their comments on the rates, the methodologies and assumptions used to determine the rates, and related subjects concerning this rebasing effort to: DDDBusinessOPS@azdes.gov.

¹ The current edition of the Division’s RateBook is available at:
<https://www.azdes.gov/ddd/downloads/vender/rates/ratebookfebruary12008.pdf>.

REBASING BACKGROUND

This section of the RebaseBook presents background information that places the rebase project into context. The section is divided into the following four discussions:

- Statutory requirements
- Services included in the rebase project
- Benchmark and adopted rates
- Independent cost models in rate setting

Statutory Requirements

The Division is mandated by law to establish a rate structure for service providers, to review that rate structure annually, and to “perform a complete study of reimbursement rates” every five years². The statutes prescribe:

- The rate structure is to ensure “an equitable funding basis for private nonprofit or for profit agencies”.
- The annual review is to be performed with the assistance of an independent consulting firm and the review shall study the “adequacy and appropriateness of ... reimbursement rates to service providers for the developmentally disabled program.”
- The complete study of reimbursement rates is to occur “no less than every five years”.
- The Division is to publish a rate book “to announce the rate structure that shall be incorporated by reference in contracts for client services”.

Services Included in the Rebase Project

The Division instituted its community service provider rate structure in SFY 2004. At that time, approximately 20 services had rates set and published³. Since then a number of new services have been added, or existing services have been modified or redefined and added to the rate schedule. Pursuant to state law, the Division has conducted a study of the reimbursement rates initially published for SFY 2004 and has developed proposed rebased rates for those services.

The services covered by this rebasing activity are displayed in Table 1 on the following page:

² See A.R.S. 36-557 K. and A.R.S. 36-2959

³ The count of the number of rates set can vary by how a service is defined, e.g. day treatment for children could be one rate, or two rates depending on whether or not “after school” and “summer” are counted as one rate or two.

Table 1
Services Covered by the SFY 2008 Rebasing

Category of Service	Specific Services
Home-Based Services	<ul style="list-style-type: none"> ▪ Attendant Care ▪ Habilitation, Community Protection ▪ Habilitation, Support ▪ Housekeeping ▪ Respite, Short-Term ▪ Respite, Long-Term⁴
Independent Living Services	<ul style="list-style-type: none"> ▪ Habilitation, Individually Designed Living Arrangement <ul style="list-style-type: none"> ○ Hourly ○ Daily
Day Treatment and Training Services	<ul style="list-style-type: none"> ▪ Day Treatment and Training – Adult ▪ Day Treatment and Training – Child <ul style="list-style-type: none"> ○ After-School ○ Summer ▪ Rural Day Treatment and Training – Adult ▪ Behaviorally or Medically Intense DTT
Developmental Home Services	<ul style="list-style-type: none"> ▪ Habilitation, Vendor Supported Development Home <ul style="list-style-type: none"> ○ Child ○ Adult ▪ Room and Board, Vendor Supported Dev Home <ul style="list-style-type: none"> ○ Child ○ Adult
Group Home Services	<ul style="list-style-type: none"> ▪ Habilitation, Group Home ▪ Room and Board, All Group Homes
Professional Services	<ul style="list-style-type: none"> ▪ Home Health Aide ▪ Nursing, Short-Term ▪ Nursing, Long-Term⁵
Specialized Habilitation Services	<ul style="list-style-type: none"> ▪ Specialized Habilitation with Music Component
Transportation Services	<ul style="list-style-type: none"> ▪ Flat Trip Rate for Regularly Scheduled Daily Transportation <ul style="list-style-type: none"> ○ Urban, Adult ○ Urban, Child ○ Rural, Adult

The rebasing for two services has not yet been completed: Habilitation, Community Protection and Treatment Group Home and Habilitation, Nursing Supported Group Home. These two services have unique specifications that require additional research to ensure that all aspects of the services are considered. Habilitation, Community Protection and Treatment Group Home has a behavioral component combined with a community safety component. Habilitation, Nursing Supported Group Home has a medical acuity component. Because of the special considerations, additional research and model configurations are being pursued. It is anticipated that these two services' rebasing efforts should be completed by October 1, 2008, at which time they will be published and available for public comment.

The rebase project does not address the services that have appeared on the Division's rate schedule since SFY 2004. As the time period since the posting of rates for these services reach the point of requiring a five year rebasing, the Division will undertake a rebasing effort and the results will be released in a future edition of the RebaseBook. Readers

⁴ Service denoted as Respite, Long-Term has replaced the previously identified service of Respite, Continuous.

⁵ Service denoted as Nursing, Long-Term has replaced the previously identified service of Nursing, Continuous.

interested in the methodologies employed to set the rates for services not included in the SFY 2008 rebase project are referred to the current edition of the Division's RateBook, released in February of 2008.

The definitions of the services that are covered by the rebase project are described in the Division's *Requests for Qualified Vendors Application (RFQVA)* DDD 704011 and DDD 70412. These service definitions can be viewed at

<https://www.azdes.gov/ddd/downloads/vender/rfqva/11/section7servicespecificationsv27070720.doc>.

With two exceptions, the service definitions from the July 2007 version of those service definitions were followed during the rebase project. The exceptions include changes to respite and nursing. After public comments are received and reviewed on the proposed rebased rates, any necessary amendments to the service definitions for these two services will be posted to the Division's RFQVA website. More information on the proposed changes to the service definitions for respite and nursing can be found in the Specific Methodologies for Each Service discussion.

The rebase project focused exclusively on rates paid to Qualified Vendors⁶ (i.e. agency providers). There are several thousand independent providers in the Division's service provider network that are not qualified vendors. Independent providers do not employ staff and are legally employed by the Division's clients, although the payments to these providers are funded by the Division and the payments and employment related administrative responsibilities are managed by a Division contracted fiscal intermediary.

The rates paid to independent providers are set through the Arizona Independent Rate Assessment Tool and are in part a function of the rates paid to qualified vendors. The Division is awaiting the outcome of the public comments on the Qualified Vendor proposed rebased rates before calculating the independent provider rebased rates. A discussion of the methodology used to set rates for independent providers is contained in the current edition of the Division's RateBook.

Benchmark and Adopted Rates

In the past, the Division has used a rate implementation device to harmonize "fair and equitable rates" required by statute with budget realities. The Division defines the fair and equitable rates to be "Benchmark Rates" and the rates actually paid to providers to be "Adopted Rates". Both rates appear in the Rate Schedule portion of the Division's RateBook and are noted in the independent models used to derive the rates.

Adopted Rates are employed in situations where inflationary adjustments (or rebased rates) are set at levels that cannot be supported by the Division's annual appropriation (in which case they are set at a level lower than the Benchmark Rate) or in situations where a Benchmark Rate has been reduced and actual payment rates will be frozen or phased in (in which case the Adopted Rate may be higher than the Benchmark Rate). With the

⁶ For a discussion of Qualified Vendors go to the Division's web site at <https://www.azdes.gov/ddd/DDDVendorDirectory.asp>

Adopted Rate concept the Division has been able to separate the determination of “fair and equitable rates” from the budget process.

The rebase project has exclusively focused on the determination of “fair and equitable rates”, i.e. Benchmark Rates. No decisions have been made concerning the implementation of the proposed rebased rates. At this time the Division is only soliciting public comment on the proposed rebased rates. After the public comment period, the Division will consider long term implementation strategies for the Adopted rates based on funding availability and legislative authority.

Independent Cost Models in Rate Setting

The Division uses an *independent cost model* approach to rate setting. In this approach, a model is constructed of the costs providers face in delivering the a particular service. In constructing the models, there are five primary cost areas that are modeled for each service:

- Direct service staff wages
- Direct service staff employment related expenditures (ERE)
- The productivity of direct service staff, i.e. the amount of time in each workday that direct staff time can be charged to client service
- The program support costs faced by providers (new as a specific category in the rebased cost models)
- The administrative expenses faced by providers

Any particular service could have additional cost areas added, but the five enumerated areas represent the basic outline of the cost model for every service. In constructing the specific model for a specific service, the service definition contained in the RFQVA (i.e. the contract with the providers) is reviewed to determine service requirements for that service. These specific requirements could include such elements as direct service staff qualifications, training and supervision requirements, the inclusion/exclusion of transportation within the service, and whether the service is facility based or home based.

Once the outline of the cost model is determined, the model is populated with data that represents the costs/factors that providers face. The rebase project utilized three broad sources of data for the cost models: a provider survey; special studies; and published sources. Each of these data sources are discussed in more detail throughout this document.

The different model components contribute differing amounts to the ultimate rate for a particular service. For perspective, consider the Attendant Care proposed rebased model. In that model, each of the five basic components contributes the following amounts to the final proposed rate:

▪ Direct service wages	58%
▪ Direct service ERE	20%
▪ Productivity of service staff	8%
▪ Program support	4%
▪ Administrative expenses	10%

This distribution of weights does not hold true for every service for which a rate is set – for example, Group Home Room and Board does not contain any staffing – but generally depicts the fact that for most services direct staff wages and ERE constitute the majority of the expenses that are accounted for in the rates.

THE REBASING PROCESS

This section of the RebaseBook outlines the process that was used in the rebase project. The section is divided into two discussions: Guiding Principles and The Consultant Work Group and Special Studies.

Guiding Principles

In approaching the rebasing project, the Division adopted principles to guide the process. Among the principles adopted were:

- Rebasing should be a collaborative process that involves consumers along with their families, providers, and Division line staff.
- Rather than relying on a single consulting firm to assist in rebasing, the Division should engage three firms and have them work collaboratively. Each firm would be assigned special research projects, a subset of the services to be rebased, and perform peer review functions on the other firms' findings and recommendations.
- Continue to use the independent model approach to rate setting. The Division believes that the independent model approach makes decisions and logic transparent, and allows data to be verified by independent parties.
- The goal of the rebase project is a valid and sustainable rate structure. As such, the consultants and the Division's project team should:
 - "Play it down the middle of the fairway"; that is, let the data and common sense dictate the outcome of the rebasing activity without regard to the direction or degree to which existing rates might change.
 - Determine rates independent of the budgetary impact.
 - Perform a survey of providers and allow the data pulled from the survey to guide (though not necessarily determine) the decisions in building independent models.
 - Verify, to the extent possible, the information collected through the survey with independent data sources. Such sources can then be referenced in the future for updating the models.

In the rebasing process the Division did indicate one area of bias that the models should address: direct service staff compensation and training. The Division believes that direct service staff ensures the continuity of care and the daily health and safety of its consumers. Therefore it is important that the cost models reflect appropriate wages, benefits and training hours for these key personnel. In the case of "close calls" in making

decisions in these three areas, the Division instructed the consultant work group to fully appreciate the importance it placed on these components of the rate models.

The Consultant Work Group and Special Studies

Each consulting firm was assigned a list of services for which it was responsible for collecting or compiling data and making recommendations to the project team. The Division project staff along with the consultants reviewed data and recommendations and generally reached consensus positions on all factors and methodologies used in the models, but the Division remained the ultimate arbiter of the models.

In addition to assigning each of the firms to specific service categories for primary work in rate development, the Division commissioned five special studies or areas of investigation. Those five areas were:

- Consumer and Division staff focus groups and interviews
- A summary of Division rate changes since the inception of the rate schedule
- A survey of other states' rate setting methodologies
- A market wage analysis for direct care staff
- A provider survey

Focus Groups and Interviews

In order to engage consumers, their families and Division staff in the process, a number of focus groups and interviews were conducted. The focus groups and interviews were undertaken to gauge: satisfaction with program and service quality, problems with service availability, problems with the delivery of services, and views on the overall quality and reliability of provider personnel. The conclusions of these activities were:

- From consumers about providers:
 - Mostly positive reviews of day treatment programs
 - An unexpectedly high level of complaints associated with group home services ranging from limited availability in rural areas to concerns about accommodation of behavioral needs
 - Overall satisfaction with the quality, reliability and availability of in-home services, with some concern expressed over the quality of direct care staff and services
 - General dissatisfaction with the availability of daily respite services
- From consumers about Division staff:
 - Overall positive reviews of service quality and availability
 - A need to improve the accessibility and responsiveness of Division case managers
 - Concern that the high turnover rates of support coordinators results in a lack of familiarity with clients and their needs

- From Division staff:
 - Challenge to consistently maintain Day Treatment and Training ratios
 - Aging and dual diagnosis making consumer needs increasingly complex
 - The need to keep the rate system simple and understandable for consumers and providers

A Summary of Rate Changes

The examination of what has happened to the Division's rates since the inception of the rate schedule revealed that, in general, rates paid to providers under the rate schedule have increased by more than 20% since SFY 04.

These increases are attributable to legislative action that either sought to keep the providers rates even with inflation or to "close the gap" between the Adopted and Benchmark rates. A synopsis of the rate changes since SFY 04 is presented below:

Table 2
Percent Change to the Division's Rate Schedule
SFY 2004 through SFY 2008

	% Benchmark Change	% Adopted Change
Home Based Services	13.7%	22.2%
Day Treatment & Training (Adult)	33.6%	28.4%
Day Treatment & Training (Child)	26.2%	22.4%
Habilitation - Developmental Home (Adult)	13.7%	0.0%
Habilitation - Developmental Home (Child)	15.9%	2.0%
Habilitation - Group Home (Staff Hour)	13.7%	22.2%
Nursing - Intermt	13.7%	15.9%
Nursing - Continuous	37.1%	39.8%
Habilitation - Music Component	4.8%	7.4%
Transportation - Day Programs	13.6%	25.4%

Table 3
History of Benchmark/Adopted Rate Changes
SFY 2004 through SFY 2008

	Benchmark Rates	Adopted Rates
SFY 04 Base Year	Rate established through an independent model rate setting process	93.00% of the Benchmark rate
SFY 05	Increased by 4.25%	Increased by 7.34% to bring the ratio of Adopted-to-Benchmark rates to 95.75%.
First Half of SFY 06	No change	Increased by 1.94% to bring the ratio of Adopted-to-Benchmark rates to 97.61%.
Second Half of SFY 06	Increased by 4.00%	Increased by 4.00% to maintain the ratio of Adopted-to-Benchmark rates at 97.61%.
SFY 07	Increased by 1.60%	Increased by 4.05% to bring the ratio of Adopted-to-Benchmark rates to 100.0%
SFY 08	Increased by 3.20%	Increased by 3.20% to maintain the ratio of Adopted-to-Benchmark rates at 100.0%

A Survey of Other States' Rate Setting Methodologies

The review of other states' rate setting methodologies researched 24 states and concluded that the Division was among the national leaders in rate setting methodologies.

Among the states there are four basic methods employed in determining rates: negotiating with providers, basing rates on historical costs, basing rates on provider cost reports, and employing independent models. The review focused on five states – Florida, Maine, Montana, Ohio and West Virginia – that use an independent model approach comparable to Arizona. None of these states included factors in their models that were not incorporated (either directly or indirectly) in the Division's models. More states are moving toward Arizona's published rate system and rate model development.

A Direct Care Staff Market Wage Analysis

The direct care staff market wage analysis examined several private and public data sets on a local, regional and national level. The examination was undertaken because wages, and the associated employee benefits, determine approximately 75% of the rate set through the use of the independent models. The wage analysis conducted for the rebasing project estimated the level of direct care service as compared to the market. The three overarching conclusions from the study were:

- Providers are generally paying significantly below the 25th percentile of the market

- The largest differences between market and direct service staff compensation levels are in the Day Treatment and Group Home services
- The assumptions used in the (rebased) models are generally above the provider survey responses and approach the 50th percentile of the market study

The summary of the direct care staff market wage analysis is contained as Appendix 1.

A Provider Survey

A survey of providers was sent to 233 Qualified Vendors contracted with the Division and was “in the field” for approximately 60 days. Providers were involved in reviewing the questions and the provider association was enlisted to encourage providers to complete the survey.

Overall, only 25 providers completed and returned useful surveys. However, these providers represented over 40% of the units and the payments for the rebased services in SFY 06 and included 7 of the 10 largest providers, and 13 of the 25 largest providers. Overall, the compilation of the survey data suggested that:

- Wages paid to direct care staff are lower than the wage levels contained in the Division’s current rate setting models, with the most significant deviation occurring in day treatment services
- All in-home services appear to be treated as interchangeable by providers – that is, there appears to be little wage difference for direct care staff across the in-home services
- Similarly, there appears to be no difference in wages for the community protection and regular group home services

A separate document has been prepared that summarizes the results of the provider survey and is available on the Division’s web site at <http://www.azdes.gov/ddd>.

SUMMARY OF PROPOSED CHANGES TO EXISTING RATES

The Table on the following page presents the proposed rebased rates (labeled as “Proposed Benchmark”) for the services that have been rebased to date. Also presented on the Table are the Benchmark and Adopted rates that were in effect for SFY 2008, as well as comparisons on a dollar and percentage basis of the proposed rebased rates to the SFY 2008 rates.

In general, the proposed rebased rates are higher than the SFY 2008 rates. The notable exception is the Day Treatment and Training category of services.

The Day Treatment and Training category of services is proposed to decline by the following amounts for the following specific services:

- Adult services: approximately 14%
- Children services: approximately 5.5%
- Behavioral/Medical intense: approximately 13%

Other services that are proposed to decline include:

- Habilitation, IDLA, Daily: approximately 6%
- Habilitation, Vendor Supported Development Home, Adult and Child: 6.8% and 8.5% respectively
- Room and Board, Vendor Supported Developmental Home, Child: approximately 6%

The balance of the services that have been rebased are proposed to increase. These increases range from 1.4% (Specialized Habilitation with Music Component) to 72.6% (Respite, Long-Term).

By category of services, the ranges of increases/decreases are:

Category of Services	Lowest Percentage Increase	Highest Percentage Increase
▪ Home Based Services	8.4%	72.6%
▪ Independent Living Services	-5.7%	8.1%
▪ Day Treatment and Training Services	-14.2%	-1.1%
▪ Developmental Home Services	-8.5%	1.6%
▪ Group Home Services	4.9%	28.5%
▪ Professional Services	4.1%	20.2%
▪ Special Habilitation Services	1.4%	1.4%
▪ Transportation Services	14.6%	49.4%

Following the Summary Table are discussions of the General Methodologies and Specific Methodologies that were used in developing the proposed rebased rates.

Summary of Proposed Changes to Existing Rates

Service	SFY08		Proposed Benchmark	BM to BM Variance	
	Benchmark	Adopted		\$	%
Home-Based Services					
Attendant Care	\$16.09	\$16.09	\$18.44	\$2.35	14.6%
Habilitation, Community Protection and Treatment Hourly	\$21.57	\$21.57	\$24.61	\$3.04	14.1%
Habilitation, Support	\$20.53	\$20.53	\$22.41	\$1.88	9.2%
Housekeeping	\$14.82	\$14.82	\$16.07	\$1.25	8.4%
Respite, Short-Term	\$15.77	\$15.77	\$18.44	\$2.67	16.9%
Respite, Long-Term ¹	\$8.03	\$8.03	\$13.86	\$5.83	72.6%
Independent Living Services					
Habilitation, Individually Designed Living Arrangement, Hourly	\$20.74	\$20.74	\$22.41	\$1.67	8.1%
Habilitation, Individually Designed Living Arrangement, Daily 2			\$19.55	(\$1.19)	-5.7%
Day Treatment and Training Services					
Day Treatment and Training, Adult (1:3.5)	\$10.53	\$10.53	\$9.03	(\$1.50)	-14.2%
Day Treatment and Training, Adult (1:5.5)	\$7.66	\$7.66	\$6.67	(\$0.99)	-12.9%
Day Treatment and Training, Adult (1:7.5)	\$6.33	\$6.33	\$5.57	(\$0.76)	-12.0%
Day Treatment and Training, Adult (1:9.5)	\$5.56	\$5.56	\$4.93	(\$0.63)	-11.3%
Day Treatment and Training, Child (After-School) (1:3.5)	\$10.16	\$10.16	\$9.60	(\$0.56)	-5.5%
Day Treatment and Training, Child (After-School) (1:5.5)	\$7.83	\$7.83	\$7.54	(\$0.29)	-3.7%
Day Treatment and Training, Child (After-School) (1:7.5)	\$6.75	\$6.75	\$6.58	(\$0.17)	-2.5%
Day Treatment and Training, Child (After-School) (1:9.5)	\$6.11	\$6.11	\$6.03	(\$0.08)	-1.3%
Day Treatment and Training, Child (Summer) (1:3.5)	\$10.16	\$10.16	\$9.61	(\$0.55)	-5.4%
Day Treatment and Training, Child (Summer) (1:5.5)	\$7.83	\$7.83	\$7.55	(\$0.28)	-3.6%
Day Treatment and Training, Child (Summer) (1:7.5)	\$6.75	\$6.75	\$6.59	(\$0.16)	-2.4%
Day Treatment and Training, Child (Summer) (1:9.5)	\$6.11	\$6.11	\$6.04	(\$0.07)	-1.1%
Behavioral/Medical Intense, Day Treatment and Training (1:1)	\$20.53	\$20.53	\$17.86	(\$2.67)	-13.0%
Behavioral/Medical Intense, Day Treatment and Training (1:2)	\$12.83	\$12.83	\$11.16	(\$1.67)	-13.0%
Developmental Home Services					
Habilitation, Vendor Supported Developmental Home (Adult)	\$107.83	\$109.75	\$100.52	(\$7.31)	-6.8%
Habilitation, Vendor Supported Developmental Home (Child)	\$109.98	\$111.95	\$100.68	(\$9.30)	-8.5%
Room and Board, Vendor Supported Developmental Home (Adult)	\$13.53	\$13.53	\$13.75	\$0.22	1.6%
Room and Board, Vendor Supported Developmental Home (Child)	\$13.53	\$13.53	\$12.77	(\$0.76)	-5.6%
Group Home Services					
Habilitation, Group Home (Staff Hour)	\$19.39	\$19.39	\$20.34	\$0.95	4.9%
Room and Board, District 1, Capacity/Occupancy 4/4	\$20.77	\$20.77	\$24.93	\$4.16	20.0%
Room and Board, District 2, Capacity/Occupancy 4/4	\$19.22	\$19.22	\$22.30	\$3.08	16.0%
Room and Board, District 3, Capacity/Occupancy 4/4	\$21.20	\$21.20	\$24.96	\$3.76	17.7%
Room and Board, District 4,5,6 Capacity/Occupancy 4/4	\$18.17	\$18.17	\$23.34	\$5.17	28.5%
Professional Services					
Home Health Aide	\$19.01	\$19.01	\$20.77	\$1.76	9.3%
Nursing, Short-Term (Maricopa, Pima & Pinal Counties)	\$40.57	\$40.57	\$44.73	\$4.16	10.3%
Nursing, Short-Term (All Other Counties)	\$40.57	\$40.57	\$48.76	\$8.19	20.2%
Nursing, Long-Term (Maricopa, Pima & Pinal Counties) 3	\$40.57	\$40.57	\$42.25	\$1.68	4.1%
Nursing, Long-Term (All Other Counties) 3	\$40.57	\$40.57	\$46.05	\$5.48	13.5%
Specialized Habilitation Services					
Specialized Habilitation with Music Component	\$40.10	\$40.10	\$40.67	\$0.57	1.4%
Transportation Services					
Flat Trip Rate for Regularly Scheduled Daily Transportation (Urban, Adult)	\$9.09	\$10.03	\$10.64	\$1.55	17.1%
Flat Trip Rate for Regularly Scheduled Daily Transportation (Urban, Child)	\$9.09	\$10.03	\$10.42	\$1.33	14.6%
Flat Trip Rate for Regularly Scheduled Daily Transportation (Rural, Adult)	\$12.13	\$14.29	\$18.12	\$5.99	49.4%

¹ The amounts presented for SFY 08 Benchmark/Adopted Rates are the 'Effective Hourly' rates based upon Respite, Continuous at 24 hours.

² This service was not distinct from Habilitation, IDLA, Hourly during SFY 08.

³ The amounts presented for SFY 08 Benchmark/Adopted Rates are the 'Effective Hourly' rates based upon Nursing, Continuous at 16 hours.

GENERAL METHODOLOGIES FOR REBASED RATES

This section of the RebaseBook describes the general methodologies that were applied during the rebase project. The section is divided into the following discussions:

- Wages
- Employment Related Expenditures (ERE)
- Productivity of Direct Service Staff
- Program support
- Administrative Expenses
- Multiple client rates
- Other factors

Wages

As previously indicated, wages generally constitute the largest single component of the cost model and the Division placed a special emphasis on assuring that the wage levels used in the cost model were appropriate. As a result, the rebasing project undertook a direct care staff market wage analysis special study and the provider survey focused considerable attention to collecting data on wages paid to direct care staff.

The results of the special market study are presented in Table 4 below. In brief, the study found that wages actually paid by providers were generally at or below the 25th percentile of the market.

Wages were above the 25th percentile for six of the services that were compared (Attendant Care, Housekeeping, Respite, Developmental Home (2), and Nursing) with Nursing representing the greatest percentage above the 25th percentile (at 173%).

Conversely, wages were below the 25th percentile for six services (Habilitation Support, Habilitation IDLA, Day Treatment (2) and Group Homes (2)). The greatest percentage below the 25th percentile was in the Adult Day Treatment and Community Protection Group Home (at approximately 85%).

As compared to the 50th percentile of the market, the study revealed that only two services exceeded that measurement – Housekeeping and Developmental Home for Children.

Table 4
Direct Care Wages Paid Compared to Market

Inflated Wage Data ²	Home Based					Day Treatment & Training	
	Attendant Care	Habilitation, Support	House-keeping	Respite	Habilitation, IDLA	Adult	Child
Survey Response ¹	\$10.79	\$10.94	\$11.44	\$10.98	\$10.50	\$9.92	\$10.32
Market Wage Data							
50th Percentile	\$11.20	\$13.10	\$9.38	\$11.20	\$13.10	\$13.57	\$13.54
Survey Compared to Market 50th Percentile	96%	84%	122%	98%	80%	73%	76%
25th Percentile	\$10.24	\$11.04	\$8.77	\$10.24	\$11.04	\$11.65	\$11.49
Survey Compared to Market 25th Percentile	105%	99%	130%	107%	95%	85%	90%

Inflated Wage Data ²	Developmental Home		Group Home		Professional
	Child	Adult	CPT	Habilitation	Nursing
Survey Response ¹	\$18.21	\$15.34	\$9.85	\$9.91	\$21.68
Market Wage Data					
50th Percentile	\$16.32	\$16.32	\$14.17	\$12.50	\$25.06
Survey Compared to Market 50th Percentile	112%	94%	70%	79%	87%
25th Percentile	\$13.74	\$13.74	\$11.47	\$10.82	\$12.50
Survey Compared to Market 25th Percentile	133%	112%	86%	92%	173%

¹ Survey Response are figures calculated as the Weighted Average (by Service FTE) for all providers (Supervisors & Non-Supervisors) including overtime.

² Inflated Wage Data represents data inflated to 12/31/08 (01/01/09)

A more detailed presentation of the market study is included as Appendix 1.

When the survey results were compared (on an inflation adjusted basis) to the rates used in the current cost models (also on an inflation adjusted basis), only 4 of the 14 services for which survey data was collected exceeded the rates used in the models.

The most significant difference where the survey rates exceeded the rate used in the current cost models occurred in Housekeeping (where the cost model utilized a rate of \$9.20 and the survey indicated wages were being paid at \$11.44). The most significant difference where the survey rates fell below the rate used in the current cost models occurred in the Day Treatment Programs (where the cost model utilized a rate of \$15.03 and the survey indicated wages were being paid at \$9.92 for adult programs and \$10.32 for children's programs).

The results of the survey wage rates compared to the current cost model rates (on an inflation adjusted basis) as well as the wage rates selected for the rebased models are presented in the following Table 5.

Table 5
Direct Care Wages Paid Compared to the
Current Cost Models and the Proposed Rebased Model

Inflated Wage Data ²	Home Based Services						Day Treatment & Training	
	Attendant Care	Respite	House-keeping	Habilitation Support	Habilitation CPT Hourly	Habilitation IDLA	Adult	Child
Current Model	\$10.37	\$10.37	\$9.20	\$12.49	\$13.74	\$14.05	\$15.03	\$15.03
Survey Response ¹	\$10.79	\$10.98	\$11.44	\$10.94	NA	\$10.50	\$9.92	\$10.32
BLS Wages (Mean)								
Final Proposed Rebased Model Wage	\$10.66	\$10.66	\$9.46	\$12.26	\$13.49	\$12.26	\$11.73	\$11.73

Inflated Wage Data ²	Developmental Home				Group Home	Professional		Other
	Child ³	Child ⁴	Adult ³	Adult ⁴	Habilitation, Group Home	Home Health Aide	Nursing	Specialized Habilitation, Music
Current Model	\$18.60	\$16.20	\$18.23	\$15.88	\$12.49	\$9.86	\$22.86	\$23.34
Survey Response ¹	\$18.21	\$18.21	\$15.34	\$15.34	\$9.91	NA	\$21.68	NA
BLS Wages (Mean)								
Final Proposed Rebased Model Wage	\$17.70	\$16.52	\$17.70	\$16.52	\$11.73	\$10.59	\$23.05	\$20.49

NA = No Responses Provided/No Data

¹ Survey Response are figures calculated as the Weighted Average (by Service FTE) for all providers (Supervisors & Non-Supervisors) including overtime.

² Inflated Wage Data represents data inflated to 12/31/08 (01/01/09)

³ Job Categories comprising Training Staff for Developmental Home

⁴ Job Categories comprising Supervision & Monitoring Staff for Developmental Home

The direct care wage rates selected for the rebased models were derived from the Bureau of Labor Statistics (BLS) data for Arizona job classifications. The BLS data was selected because of its wide availability and acceptance as a standard.

Mean Arizona wage data from BLS as published in May of 2006 (the most recent data available during the rebase project) was used to determine the hourly wages for specific occupational categories. Depending on the required direct staff job activities delineated in the service descriptions, certain services reflect a blended rate of mean wages of more than one occupation.

Wages were adjusted for inflation with the CMS Home Health Agency Market Basket inflation data from the *Health Care Cost Review*, published by Global Insight. The inflation factor for all wage categories is 8.88%. This reflects inflation from the May 2006 wage period of 1.74% for 2006 (June through December), 3.8% for 2007 and 3.1% for 2008.

Appendix 2 contains the Arizona statewide mean hourly BLS wages as of May 2006 that were used in the proposed SFY 2008 rebased rate models by occupational category. In addition to presenting the mean wages for Arizona, the Appendix presents the median and 25th percentile wage rates by occupation, and the allocation used by the project team of the occupational categories into the direct service wage rate for each of the rebased services. In this latter presentation, the distribution by occupational category for the proposed SFY 2008 rebased cost models are compared to the allocation used in the SFY 2004 cost models.

One significant difference between the allocation of occupations in the SFY 2004 models and the SFY 2008 proposed rebased models was the deletion in the proposed rebased models of the supervisory occupations from all of the service categories. This deletion was made because of the addition in the rebased models of the “program support” costs which is partially designed to capture the costs of supervision.

Employment Related Expenditures (ERE)

Following wages, employment related expenses (ERE) generally constitute the second largest single component of the cost models. Since there are no readily available data sources that track the Division’s providers’ costs for ERE, the consultant work group relied heavily on the provider survey results to determine ERE rates for the cost models.

The provider survey asked questions of providers relating to paid time off (including extended illness benefits), retirement programs, health, dental, vision and disability programs, as well as FUTA/SUTA and workers contribution rates. The survey also asked for information relating to waiting periods for new employees as well as employee participation rates.

Generally, the results of the survey revealed:

- Most providers (92%) offer health insurance as a benefit, but require new employees to wait 90 days before they qualify for the benefit. Average cost to the provider (weighted by provider revenue) was \$288 per employee per month.
- Most providers (90%) offer paid time off as a benefit, but require new employees to wait 90 days before they qualify for the benefit. Average paid time off (weighted by provider revenue) averaged approximately 22 days.
- Only one responding provider offered a retirement plan, while 72% of the responding providers offered a 401k/403b plan with employer contributions. Of the employees at these responding providers, about a third of the employees eligible for the plans participate.
- Less than half the responding providers offered dental, vision, disability, employee assistance or other benefits to their employees. The highest employer offerings occurred in the areas of dental insurance (48% of employers with a monthly employer

cost of approximately \$14 per employee) and other benefits (48% of employers with a monthly employer cost of approximately \$15 per employee). All the other benefits had employer offerings of 20% or less.

A detailed analysis of the survey results is contained in the *Provider Cost Survey – Final Report* document that has been posted to the Division’s web site.

Based on the results of the provider survey and factoring in the ERE required by law (FICA, workers compensation), the consultant work group compiled two packages of ERE to consider for use in the rate models.

The first package of ERE was based on the straight results from the provider survey without consideration of the number of employers offering the benefit; the second package was based on the consultant work group’s judgment as to the benefits that were offered by a majority of the responding providers. Each package was placed in a matrix to examine the costs of ERE stated in terms of a percentage of wages paid.

The results of this compilation revealed that the ERE percentage varied from a high of nearly 42% for the survey results package at a \$9.00 per hour wage level, to a low of nearly 30% for the consultant work group package at the \$17.00 wage level. Summary results are displayed in following Table 6 and a more detailed presentation is contained in Appendix 3.

Table 6
ERE Packages Compared to Various Direct Care Wages Levels

Direct Care Staff Wage Level	Survey Results ERE Package	Consultant Work Group ERE Package
\$9.00	41.9%	39.6%
\$11.00	38.1%	35.9%
\$12.00	36.7%	34.5%
\$13.00	35.5%	33.3%
\$14.00	34.5%	32.2%
\$16.00	32.8%	30.6%
\$17.00	32.2%	29.9%

The primary reason that the ERE percentage rate declines as wages increase is the use of a fixed cost (of \$288 per employee per month) for health insurance cost across all wage levels.

For the proposed rebased models, the consultant work group recommended that two percentages of direct care staff wages be adopted: an ERE rate of 34.5% on wages less than \$17.00, and for models that use hourly wages of \$17.00 or more, 30.0%. These ERE rates proposed for the rebased models differ from the ERE that is used in the current cost models. The current models use a straight 30% ERE factor for all wage levels in almost all services.⁷

⁷ Day Treatment and Training, Child (After-School & Summer) and the related Transportation services utilizes an ERE factor less than the standard due to the part-time nature of these services.

The detailed ERE percentages derived from the consultant work group ERE package that are contained in Appendix 3 are summarized below:

Table 7
ERE, Agency Providers, Hourly Wages less than \$17.00

		Base Rate	Base Rate	Base Rate
Hourly Rate		\$9.00	\$12.00	\$14.00
Annual Wage		\$18,720	\$24,960	\$29,120
FUTA / SUTA	0.55%	\$39	\$39	\$39
FICA	7.65%	\$1,432	\$1,909	\$2,228
Workers' Comp	1.75%	\$328	\$437	\$510
Legally required benefits	9.95%	\$1,798	\$2,385	\$2,776
Vacation	80 hrs/yr	\$720	\$960	\$1,120
Sick Leave	40 hrs/yr	\$360	\$480	\$560
Holidays	80 hrs/yr	\$720	\$960	\$1,120
Health Insurance	\$288	\$3,456	\$3,456	\$3,456
Other Benefits	\$30	\$360	\$360	\$360
Total ERE per employee		\$7,414	\$8,601	\$9,392
		39.61%	34.46%	32.25%

Table 8
ERE, Agency Providers, Hourly Wages of \$17.00 (or greater)

		Base Rate	Base Rate	Base Rate
Hourly Rate		\$17.00	\$20.00	\$24.00
Annual Wage		\$35,360	\$41,600	\$49,920
FUTA / SUTA	0.55%	\$39	\$39	\$39
FICA	7.65%	\$2,705	\$3,182	\$3,819
Workers' Comp	1.75%	\$619	\$728	\$874
Legally required benefits	9.95%	\$3,362	\$3,949	\$4,732
Vacation	80 hrs/yr	\$1,360	\$1,600	\$1,920
Sick Leave	40 hrs/yr	\$680	\$800	\$960
Holidays	80 hrs/yr	\$1,360	\$1,600	\$1,920
Health Insurance	\$288	\$3,456	\$3,456	\$3,456
Other Benefits	\$30	\$360	\$360	\$360
Total ERE per employee		\$10,578	\$11,765	\$13,348
		29.92%	28.29%	26.74%

The ERE assumptions used in the rebased models do not include any adjustment for the providers' use of part-time employees, or for the combined effects of employee turnover and the waiting periods required of new employees for some benefits.

As an illustration of the impact that these factors would have on the ERE percentage, the consultant work group performed a calculation of ERE percentages assuming a 20% employee turnover rate. For the rebased models, applying this assumption would reduce the ERE percentage for the less than \$17.00 per hour employee group to approximately 29.5%. It is important to note that the Division chose not to adjust the ERE rates for turnover or the use of part-time employees.

Productivity of Direct Service Staff

Productivity factors are reductions to the amount of time during an eight hour day that direct service staff can bill for service delivery. Obvious examples of reduced productivity would be the time it takes for a direct service staff person to travel to a consumer's home to deliver services or the time that the staff person spends in training.

Since the staff person is, in most instances, paid for an eight hour day, the wage (and ERE) rates that the staff person is paid must be "grossed up" in the rate models to account for non-productive (or non-billable) time spent during the day. A simple example will illustrate the concept:

If a direct service staff person were being paid \$10 per hour, yet half the staff member's eight hour day was spent on activities that were non-productive (or non-billable), the wage rate that should be included in the rate model would be \$20.

In the above situation, 8 hours multiplied by \$10 equals \$80 – the amount the staff person is being paid. However, with 4 hours of billable time, 4 hours multiplied by \$20 equals \$80 – the amount the provider must bill in a day in order to recover the full cost of the staff person's wages.

Productivity factors were included in the SFY 2004 cost models. Questions were included in the provider survey to update the factors. The questions varied by service, but in general included such items as:

- The number of visits in a day and the length of each visit for services delivered in the consumers' homes
- The amount of travel time in a day that a staff person travels to consumers' homes
- The amount of time spent updating notes and medical records
- The amount of "down time" or employer time each staff member spends each day (down time was defined in the survey instructions as "the non-billable activity required for the employee such as staff meetings and other commitments to the employing organization")
- The amount of training time provided by the employer per staff member per year

The summary results from the provider survey and the assumptions adopted by the consultant work group are included in Appendix 4. Some factors were standardized across all rebased rate models, and some productivity factors were set uniquely for one or two services. The more general productivity factors applied (or not applied) to the models include:

- Notes & Medical Records: This productivity factor was generally eliminated as the providers reported in the survey that this activity was regarded as billable time. The Division made three exceptions to this general rule: community protection services (hourly and daily) and nursing services were each allotted a

quarter hour a day due to the complexity of the note and recordkeeping for these services.

- Down Time or Employer Time: The productivity factor was only included for Day Program services to account for weekly team meetings to support service delivery.
- Training Time: A standard productivity factor of 40 hours of annual training time was included for all rebased rate models with two exceptions: community protection services (hourly and daily) were each allotted 65 hours of training annually.
- Missed Appointments: There was no standard productivity factor for missed appointments though adjustments were made for specific home based services.
- Travel Time: There was no standard productivity factor for travel time though adjustments were made for specific home based services.

The specific rebased productivity adjustments for each service are included in the discussions of the service specific assumptions and methodologies, as well as in the rebased rate models.

Program Support

The rebased models include for the first time a specific component for program support or the indirect costs of the provider. Questions concerning indirect costs were included in the provider survey. In the instructions for the survey, these program support or indirect costs were defined as follows:

...costs associated with the organization to support the direct care for clients and generally vary based upon the volume of clients served and/or services provided. These costs are for materials and staff that are not routinely directly serving and/or dealing with clients.

The provider survey instructions identified certain indirect expenses. Included in the list of identified cost elements were such items as:

- Salaries and Wages (and ERE), Program Supervision
- Salaries and Wages (and ERE), Program Support
- Rents/Mortgage Payments for Indirect Office
- General Liability, Property and Casualty Insurance
- Medical Records Expenses
- Billing Expenses
- Program Consultation
- Training Expenses
- Depreciation (excluding buildings and non-indirect vehicles)

The results of the provider survey indicated that providers incurred 9.4% of total revenue as program support or indirect expense. The consultant work group assumed a rate of 4% of the total proposed rebased rate as a standard factor for most the rebased cost models.

With the addition of the program support factor, specific program support costs (such as program compliance and supervisor wages) were generally eliminated from the rebased cost models. However, certain services (Day Treatment and Developmental Home services) retained specific program support costs as these were judged to be extraordinary. The specifics for each service can be seen through a review of the cost model section of this RebaseBook.

Administrative Expenses

The rebased models include (as have the previous cost models) a specific component for administrative expenses of the provider. As with program support costs, questions concerning administrative expenses were included in the provider survey. In the instructions for the survey, these administrative expenses were defined as follows:

...costs associated with the organization to support the provision of services regardless of the volume of clients served and/or services provided.

The provider survey instructions identified certain administrative expenses. Included in the list of identified cost elements were such items as:

- Compensation of Officers
- Wages (and ERE) for Non-Officer Admin Staff
- Rents/Mortgage Payments for Admin Office(s)
- Professional Liability Insurance
- Legal and Accounting
- Telephone/Communications
- Taxes and Licenses
- Advertising
- Bad Debts
- Interest Expense (Excluding Mortgage)
- Charitable Contributions

The results of the provider survey indicated that providers incurred 12.2% of total revenue as administrative expense. The consultant work group assumed a rate of 10% of the total proposed rebased rate as a standard factor for all the rebased cost models.

The *10% of the total proposed rebased rate* is a shift in methodology from the SFY 2004 rate models. In the current models, administrative expenses are calculated as 10% of *non-travel costs*. The *10% of the total proposed rebased rate* calculation will result in an approximate 1.5 percentage point increase for this model component.

An example of the impact of the difference in the calculation of administrative expense is displayed below:

Table 9
Example of the Impact of the Changed Methodology for
Calculating Administrative Expenses

	SFY 04 Model	Proposed Rebased Model
Hourly Wage	\$9.12	\$9.12
Annual Wage	\$18,978	\$18,978
Hourly Wage with ERE	\$11.86	\$11.86
Hourly Wage with Productivity Adjustment	\$12.65	\$12.65
Hourly Mileage Cost	\$0.23	\$0.23
Total Non-Travel Costs	\$12.65	
Total Costs		\$12.88
Administrative Costs Calculation	\$12.65 * 10%	\$12.88 / 90%
Costs	\$1.27	\$1.43

As can be seen in the example, the 10% administrative expense has increased by \$.16 per unit because of the 10% calculation methodology change.

The proposed rebased models have one additional change in methodology: the amount of administrative expense has been limited to no more than \$3.00 per service hour. This will only impact services that have a proposed rebased rate in excess of \$30.00 per hour⁸.

Multiple Client Rate Calculation

For some services (most notably home-based services) it is possible for a provider to deliver services simultaneously to multiple clients. The convention used in both the SFY 2004 and the rebased cost models is to apply the following formula to determine the rate for each client receiving services:

$$(\text{Regular Rate} * ((1 + (25\% * \text{number of additional clients}))) / \text{Total number of clients})$$

Other Factors

Mileage Reimbursement Rate

The rebased models include a standard mileage reimbursement rate of 44.5 cents per mile, except for day treatment, group home and day treatment related transportation services. These services use an 'enhanced mileage rate' that is discussed in the specific methodologies. The standard mileage rate used in the rebased models is the

⁸ Currently this restriction only applies to the Nursing (Short-Term & Long-Term) and Specialized Habilitation with Music Component services.

published rate for the State of Arizona, General Accounting Office (source: Arizona Accounting Manual, II-D-6).

Since the development of the rebase methodologies the cost of fuel has increased considerably. At this time, the Division will continue to use the State of Arizona standard mileage rate within the proposed rebased cost models.

Days, hours, etc.

The rebased models include the following standardized assumptions:

- 365 days per year
- 30.4 days per month
- 2,080 working hours per year for one full-time equivalent (FTE)
- 260 working days per year for one FTE
- 8 working hours per shift for one FTE

SPECIFIC METHODOLOGIES FOR EACH SERVICE

This section of the RebaseBook describes the specific methodologies used for each service during the rebase project. The section is divided into the following discussions:

- Home-Based Services
- Independent Living Services
- Day Treatment and Training Services
- Developmental Home Services
- Group Home Services
- Professional Services
- Specialized Habilitation Services
- Transportation Services

Home-Based Services

The rebasing project included five Home-Based services:

- Attendant Care
- Habilitation, Community Protection and Treatment Hourly
- Habilitation, Support
- Housekeeping
- Respite (Short-Term and Long-Term)

Changes to Rate Models

In addition to the general methodological changes and assumptions applied to all of the rebased rate models and discussed in the GENERAL METHODOLOGIES FOR REBASED RATES section of the RebaseBook, the following changes to the rebased cost models were made as compared to the SFY 2004 cost models:

- Habilitation, Community Protection and Treatment Hourly: A specific rebased rate model was developed for this service. Under the current rate system, the rate for this service has been the hourly rate established for Habilitation, Community Protection and Treatment, Group Home. In the new rate model this service enjoys a productivity adjustment that it did not have when the rate was derived from the CPT Group Home rate model. The wage rate utilized for this service continues to have a 10% premium over the wage for Habilitation, Support.
- Housekeeping: In contrast to most services, the Program Support cost component was not included in the rebased cost model. The consultant work group assumed that there was little, if any, program support costs associated with this service.
- Respite (Short-Term and Long-Term): Respite is a service that consumers use for either short periods of time (89% of visits are 8 hours or less) or for full days. In

the consumer focus groups, daily respite was the one service that consumers' families wanted but were finding difficult to obtain. The consultant work group examined the rate structure for the service and concluded that the lack of availability of long term respite was due (at least in part) to the current rate structure for respite.

The current respite rate structure pays providers an hourly rate for visits of 1 to 13 hours; however, for visits of longer durations, providers are paid a daily rate. When compared to the current respite hourly rate (\$15.77), after 12.2 hours of service, the long term respite provider does not receive any additional payment for daily respite. In addition, the consumer's annual respite limit of 720 hours is reduced by a full 24 hours anytime the consumer receives a long term respite service of more than 13 hours.

The consultant work group is proposing a revised hourly rate structure for both short term (8 or less hours per day) and long term (more than 8 hours per day) respite. The proposed rebased respite rate structure will significantly change the respite rate models and produce a short term rate of \$18.44 and a long term rate of \$13.82.

The proposed rebased respite long term rate equates to \$332.64 for 24 hours, compared to the old daily rate of \$192.81. While the proposed rebased respite, long-term rate will continue to lack incentives for supplying 9 to 11 hours of service, it is anticipated that providers will have an incentive to provide respite services over 13 hours in one day.

- Respite, Long-Term: The new Respite, Long-Term model utilizes two separate wage rates - \$10.66 for 16 hours and \$6.90 for 8 hours. The \$6.90 rate is based on the Arizona minimum wage.

The following Tables contain the specific assumptions associated with the Home-Based services.

Table 10
Attendant Care

Assumption/Result	Value	Comments
Unit of Service	60 minutes	
Hourly wage	\$10.66	This assumption is consistent with Arizona statewide hourly wage for Personal and Home Care Aide (SOC Code 39-9021) of \$9.79, taken from BLS as of May 2006 and inflated to December 2008 (8.88%).
ERE	34.5% of wages	
Average number of client visits per day	2 visits	
Average travel	0.25 hours per shift	One trip between clients (15 minutes).
Notes and medical records	0	Included in direct service time.
Training Time	40 hours per year	
Allocation for Missed Appointments	40 hours per year	Adjustment due to appointments missed (e.g. client unavailable).
Average on-site time	7.44 hours per day	Billable Hours – difference between Total Hours and other

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
		productivity components
Mileage	7.5 miles	Average distance for one travel
Mileage reimbursement	44.5 cents per mile	
Program support	4%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$18.44	

Table 11
Habilitation, Community Protection & Treatment, Hourly

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	60 minutes	
Hourly wage	\$13.49	<i>Blended Rate</i> - 30% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 70% Personal and Home Care Aide (SOC Code 39-9021) of \$9.49 All wages were taken from BLS as of May 2006 and inflated to December 2008 (8.88%). An additional 10% premium is added to the wage for this service.
ERE	34.5% of wages	
Average number of client visits per day	3 visits	
Average travel	0.50 hours per shift	Two trips between clients (30 minutes).
Notes and medical records	0	Included in direct service time.
Training Time	65 hours per year	
Allocation for Missed Appointments	20 hours per year	Adjustment due to appointments missed (e.g. client unavailable).
Average on-site time	7.17 hours per day	Billable Hours – difference between Total Hours and other productivity components
Mileage	15 miles	Average distance for each trip of 7.5 miles
Mileage reimbursement	44.5 cents per mile	
Program support	4%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$24.61	

Table 12
Habilitation, Support

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	60 minutes	
Hourly wage	\$12.26	<i>Blended Rate:</i> - 30% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 70% Personal and Home Care Aide (SOC Code 39-9021) of \$9.79 All wages were taken from BLS as of May 2006 and inflated to December 2008 (8.88%)
ERE	34.5% of wages	
Average number of client visits per day	3 visits	
Average travel	0.50 hours per shift	Two trips between clients (30 minutes).
Notes and medical records	0	Included in direct service time.
Training Time	40 hours per year	
Allocation for Missed Appointments	40 hours per year	Adjustment due to appointments missed (e.g. client unavailable).
Average on-site time	7.19 hours per day	Billable Hours – difference between Total Hours and other productivity components
Mileage	15 miles	Average distance for each trip of 7.5 miles
Mileage reimbursement	44.5 cents per mile	

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Program support	4%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$22.41	

Table 13
Housekeeping

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	60 minutes	
Hourly wage	\$9.46	<i>Blended Rate:</i> - 50% Arizona statewide hourly wage for Janitors and Cleaners (SOC Code 37-2011) of \$9.09 - 50% Arizona statewide hourly wage for Maids and Housekeeping Cleaners (SOC Code 37-2012) of \$8.29 Wages taken from BLS as of May 2006 and inflated to December 2008 (8.88%)
ERE	34.5% of wages	
Average number of client visits per day	3 visits	
Average travel	0.50 hours per shift	Two trips between clients (30 minutes).
Notes and medical records	0	Included in direct service time.
Training Time	N/A	
Allocation for Missed Appointments	N/A	
Average on-site time	7.50 hours per day	Billable Hours – difference between Total Hours and other productivity components
Mileage	15 miles	Average distance for each trip of 7.5 miles
Mileage reimbursement	44.5 cents per mile	
Program support	N/A	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$16.07	

Table 14
Respite, Short-Term

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	60 minutes	For use when services is provided for eight (8) hours or less to an individual within a day.
Hourly wage	\$10.66	This assumption is consistent with Arizona statewide hourly wage for Personal and Home Care Aide (SOC Code 39-9021) of \$9.79, taken from BLS as of May 2006 and inflated to December 2008 (8.88%)
ERE	34.5% of wages	
Average number of client visits per day	2 visits	
Average travel	0.25 hours per shift	One trip between clients (15 minutes)
Notes and medical records	0	Included in direct service time.
Training Time	40 hours per year	
Allocation for Missed Appointments	40 hours per year	Adjustment due to appointments missed (e.g. client unavailable).
Average on-site time	7.44 hours per day	Billable Hours – difference between Total Hours and other productivity components
Mileage	7.5 miles	Average distance for one trip
Mileage reimbursement	44.5 cents per mile	
Program support	4%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$18.44	

Table 15
Respite, Long-Term

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	60 minutes	For use when services is provided for more than eight (8) hours to an individual within a day.
Hourly wage	\$10.66 / \$6.90	\$10.66 for 16 hours / \$6.90 for 8 hours
ERE	34.5% / 9.95% of wages	9.95% represents the federally required benefits (FICA, FUTA, etc.)
Average travel	0 / 0	
Notes and medical records	0 / 0	Included in direct service time.
Training Time	40 / 0 hours per year	
Average on-site time	7.85 / 8.00 hours per day	Billable Hours – difference between Total Hours and other productivity components
Mileage	0 / 0	Assumes employee stays at one residence for the entire shift
Mileage reimbursement	44.5 cents per mile	
Program Support	4%	Applied to first sixteen hours of costs.
Administrative overhead	10%	Applied to first sixteen hours of costs.
SFY 09 Benchmark Rate	\$13.86	

Independent Living Services

The rebasing project included two Independent Living services:

- Habilitation, Individually Designed Living Arrangement, Hourly
- Habilitation, Individually Designed Living Arrangement, Daily

Changes to Rate Models

In addition to the general methodological changes and assumptions applied to all of the rebased rate models and discussed in the GENERAL METHODOLOGIES FOR REBASED RATES section of the RebaseBook, the following changes to the rebased cost models were made as compared to the SFY 2004 cost models:

- The independent living category of services currently has a single rate model (that provides for an hourly unit of service). The proposed rebased models will have two rates, one for hourly or intermittent services, and one for extended services (more than 16 hours per day).

The following Tables contain the specific assumptions associated with the Independent Living services.

Table 16
Habilitation, Individually Designed Living Arrangement, Hourly

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	60 minutes	
Hourly wage	\$12.26	<i>Blended Rate:</i> - 30% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 70% Personal and Home Care Aide (SOC Code 39-9021) of \$9.79 All wages were taken from BLS as of May 2006 and inflated to December 2008 (8.88%).
ERE	34.5% of wages	
Travel time for Employee	0.50 hours per shift	Two trips between clients (30 minutes).

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Notes and medical records	0	Included in direct service time.
Training Time	40 hours per year	
Allocation for Missed Appointments	40 hours per year	Adjustment for due to appointments missed (e.g. client unavailable).
Average on-site time	7.19 hours per day	Billable Hours – difference between Total Hours and other productivity components
Mileage	15.0	Average distance for each trip of 7.5 miles
Mileage reimbursement	44.5 cents per mile	
Program support	4%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$22.41	

Table 17
Habilitation, Individually Designed Living Arrangement, Daily

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	60 minutes	
Hourly wage	\$12.26	<i>Blended Rate:</i> - 30% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 70% Personal and Home Care Aide (SOC Code 39-9021) of \$9.79 All wages were taken from BLS as of May 2006 and inflated to December 2008 (8.88%)
ERE	34.5% of wages	
Travel time for Employee	0	Assumes employee stays at one residence for the entire shift
Notes and medical records	0	Included in direct service time.
Training time	40 hours per year	
Average on-site time	7.85 hours per day	Billable Hours – difference between Total Hours and other productivity components
Mileage	0	Assumes employee stays at one residence for the entire shift
Mileage reimbursement	44.5 cents per mile	
Program support	4%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$19.55	

Day Treatment and Training Services

The rebasing project included five Day Treatment and Training services:

- Day Treatment and Training, Adult
- Day Treatment and Training, Adult Rural
- Day Treatment and Training, Child, After-School
- Day Treatment and Training, Child, Summer
- Behaviorally or Medically Intense Day Treatment and Training

Changes to Rate Models

In addition to the general methodological changes and assumptions applied to all of the rebased rate models and discussed in the GENERAL METHODOLOGIES FOR REBASED RATES section of the RebaseBook, the following changes to the rebased cost models were made as compared to the SFY 2004 cost models:

- The cost element for the ‘Transition Staffing Factor’ (TSF) has been eliminated from the models (as the transition time has passed) and the assumptions regarding consumer participation were adjusted.

- The cost element for ‘Program Transport Cost’ has been eliminated from the models and an ‘Enhanced Mileage Rate’ has replaced this element. The derivation of the ‘Enhanced Mileage Rate’ is explained below.
- The single rate model for Day Treatment and Training, Children has been replaced with two rate models, Day Treatment and Training, Child (After-School), and Day Treatment and Training, Child (Summer).
- Previously the “Behaviorally or Medically Intense Day Treatment and Training” rate was identical to the rate for “Habilitation, Support” service in the Home-Based service group. The proposed rebased rate for this service is derived from a separate independent rate model.

Additional Assumptions

The proposed rebased rate models for the Adult and Child Day Treatment and Training programs have additional assumptions:

For the Adult programs:

- There are two rate models for Adult programs – Urban and Rural.
- Four sub-models were developed to distinguish different staff to consumer ratios.
- Facilities are assumed to be in service for 250 days per year, although expenses are allocated over 225 days of client attendance – thereby assuming an attendance rate of 90%
- Total hours of work per day per direct care staff are assumed to be 8 hours.
- Average staff productivity per day is assumed to be 6.6 hours (Urban) and 6.1 hours (Rural).
- Each program is assumed to have 16 consumers (Urban) and 6 consumers (Rural) per day.
- Capital requirements are assumed as follows:
 - Each facility is assumed to provide 125 square feet per consumer.
 - Average cost per square foot is assumed at \$19.46 per annum, based upon a review of the average lease amounts paid by the State of Arizona and a sample of available office real estate as of October 2007.
- Mileage rates are based upon the ‘Enhanced Mileage Rate’ discussed on the following page.

For the Children’s programs:

- There are two rate models for Children programs – After-School and Summer
- Four sub-models were developed to distinguish different staff to consumer ratios
- Facilities are assumed to be in service 240 days per year (20 week days each month). 190 days per year for After-School programs, 50 days per year for Summer programs.

- Total hours of work per direct care staff are assumed to be 4.65 hours per day (After-School) and 5.05 hours per day (Summer).
- Average staff productivity at the program is assumed to be 4 hours.
- Each program is assumed to have 16 consumers per day.
- Capital requirements are assumed as follows:
 - Each facility assumed to provide 100 square feet per consumer.
 - Average cost per square foot is assumed at \$19.46 per annum, based upon a review of the average lease amounts paid by the State of Arizona and a sample of available office real estate as of October 2007.
- Mileage rates are based upon the 'Enhanced Mileage Rate' discussed below.
- Employee related expenses (ERE) are assumed to be 18.5% due to the part-time nature of the program.

The "Program Transport Cost" element in the existing models is proposed to be replaced with an "Enhanced Mileage Rate". In essence, the enhanced mileage rate is a rate per mile that is greater than the standard mileage rate of \$.445 per mile. Enhancements are made to the standard mileage rate with the additional expenses associated with insurance, depreciation and financing costs of vehicles for day programs.

The 'Enhanced Mileage Rates' used within the Day Treatment and Training models are:

- \$ 0.779, for Adult Urban services
- \$ 0.682, for Adult Rural services
- \$ 0.740, for Children services

In building the 'Enhanced Mileage Rates' the following assumptions were used:

- The composition of the standard \$.445 per mile rate is:

	<u>%</u>	<u>\$</u>
○ Fuel	18.4%	0.082
○ Maintenance	8.1%	0.036
○ Tires	1.0%	0.005
○ License, Tax & Registration	6.8%	0.030
○ Insurance	9.3%	0.041
○ Depreciation	42.2%	0.188
○ Finance	14.2%	0.063
- The cost elements of insurance, depreciation and finance of the standard mileage rate (which total \$.292) were replaced with:
 - \$ 0.538, for Adult Urban services
 - \$ 0.451, for Adult Rural services
 - \$ 0.503, for Children services
- To calculate the new insurance, depreciation and finance components of the mileage rate, the following assumptions were made:

- Acquisition cost of the vehicle is \$48,0000
- Vehicle insurance assumed at \$300 per month.
- The maximum mileage on the vehicle is 100,000 miles and based upon the daily mileage assumption for each service, the vehicle has a lifespan of:
 - 6.06 years, for Adult Urban services
 - 3.64 years, for Adult Rural services
 - 5.08 years, for Children services
- The salvage value at the end of the 100,000 mile period is 33.3% of acquisition costs (\$16,000). If the asset is disposed of prior to/after this mileage threshold, the salvage will be higher/lower than assumed.
- The lifespan cost of the vehicle, including acquisition and insurance is
 - \$ 53,818 for Adult Urban services
 - \$ 45,091 for Adult Rural services
 - \$ 50,293 for Children services
- Once the new insurance, depreciation and financing costs are added to the standard mileage rate, further adjustments are made for:
 - Wheelchair lift maintenance and repairs at \$ 0.01 per mile
 - An absence factor

The following Tables contain the specific assumptions associated with the Day Treatment and Training services.

Table 18
Day Treatment and Training, Adult

Assumption/Result	Value	Comments
Unit of Service	1 client hour of program	
Hourly wage	\$11.73	<i>Blended Rate:</i> - 20% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 80% Personal and Home Care Aides (SOC Code 39-9021) of \$9.79. All wages taken from BLS as of May 2006 and inflated to December 2008 (8.88%).
ERE	34.5% of wages	
Time allocated to direct service staff in the transportation rate	0.66 hour	For each staff member
Time allocated to facility preparation	0.5 hour	For each staff member
Time allocated to notes	0	Included in direct service time.
Training Time	40 hours per year	
Employer Time	0.50 hours per week	Adjustment for weekly staff/team meetings.
Average on-site time	6.59 hours per day	Billable Hours – difference between Total Hours and other productivity components
Number of staff members	Varies	Based on ratio of total direct care service staff hours with consumers present at the program to total consumer hours
Number of individuals	16	
Mileage: program-related	2 miles per day	
Mileage: consumer pick-up and drop-off	10 miles per day	In transportation model
Mileage reimbursement	77.9 cents per mile	Enhance mileage rate

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Capital expense	\$10.81	Per consumer per day
Total for program transportation cost	\$0.00	Factor eliminated, costs included in 'Enhanced Mileage Rate'
Supplies	\$2.05	Per consumer per day
Program Compliance	0%	Factor eliminated, costs included in Program support.
Program support	4%	
Administrative overhead	10%	
Transition Staffing Factor	0%	Factor eliminated
SFY 09 Benchmark Rate	Varies	Range of ratio rates from \$9.03 (ratio of 1 : 3.5) to \$4.93 (1 : 9.5)

Table 19
Day Treatment and Training, Adult, Rural

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	1 client hour of program	
Hourly wage	\$11.73	<i>Blended Rate:</i> - 20% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 80% Personal and Home Care Aides (SOC Code 39-9032) of \$9.79. All wages taken from BLS as of May 2006 and inflated to December 2008 (8.88%).
ERE	18.5% of wages	Reduced ERE due to the part-time nature of the program
Time allocated to direct service staff in the transportation rate	1.17 hour	For each staff member
Time allocated to facility preparation	0.5 hour	For each staff member
Time allocated to notes	0	Included in direct service time
Training Time	40 hours per year	
Employer Time	0.50 hours per week	Adjustment for weekly staff/team meetings.
Average on-site time	6.08 hours per day	Billable Hours – difference between Total Hours and other productivity components
Number of staff members	Varies	Based on ratio of total direct care service staff hours with consumers present at the program to total consumer hours
Number of individuals	6	
Mileage: program-related	5 miles per day	
Mileage: consumer pick-up and drop-off	20 miles per day	In transportation model
Mileage reimbursement	68.2 cents per mile	Enhance mileage rate
Capital expense	\$10.81	Per consumer per day
Total for program transportation cost	\$0.00	Factor eliminated, costs included in 'Enhanced Mileage Rate'
Supplies	\$2.05	Per consumer per day
Program Compliance	0%	Factor eliminated, costs included in Program support
Program support	4%	
Administrative overhead	10%	
Transition Staffing Factor	0%	Factor eliminated
SFY 09 Benchmark Rate	Varies	Range of ratio rates from \$9.65 (ratio of 1 : 3.5) to \$5.52 (1 : 9.5)

Table 20
Day Treatment and Training, Children – After-School Programs

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	1 client hour of program	
Hourly wage	\$11.73	<i>Blended Rate:</i> - 20% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 80% Personal and Home Care Aides (SOC Code 39-9021) of \$9.79. All wages taken from BLS as of May 2006 and inflated to December 2008 (8.88%).
ERE	18.5% of wages	Reduced ERE due to the part-time nature of the program

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Time allocated to direct service staff in the transportation rate	0.26 hour	For each staff member
Time allocated to facility preparation	0.25 hours	For each staff member (15 minutes)
Time allocated to notes	0	Included in direct service time
Training Time	40 hours per year	Pro-rata amount for part-time staff
Employer Time	0.25 hours per week	Pro-rata amount for part-time staff
Average on-site time	3.99 hours per day	Billable Hours – difference between Total Hours and other productivity components
Number of staff members	Varies	Based on ratio of total direct care service staff hours with consumers present at the program to total consumer hours
Number of individuals	16	
Mileage: program-related	2 miles per day	
Mileage: consumer pick-up and drop-off	10 miles per day	In transportation model
Mileage reimbursement	74.0 cents per mile	Enhance mileage rate
Capital expense	\$9.01	Per consumer per day
Total transportation cost	\$0.00	Factor eliminated, costs included in 'Enhanced Mileage Rate'
Food	\$1.00	Per consumer per day
Supplies	\$2.05	Per consumer per day
Program support	4%	
Administrative overhead	10%	
Transition Staffing Factor	0%	Factor eliminated
SFY 09 Benchmark Rate	Varies	Range of ratio rates from \$9.60 (ratio of 1 : 3.5) to \$6.03 (1 : 9.5)

Table 21
Day Treatment and Training, Children – Summer Programs

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	1 client hour of program	
Hourly wage	\$11.73	<i>Blended Rate:</i> - 20% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 80% Personal and Home Care Aides (SOC Code 39-9021) of \$9.79. All wages taken from BLS as of May 2006 and inflated to December 2008 (8.88%).
ERE	18.5% of wages	Reduced ERE due to the part-time nature of the program
Time allocated to direct service staff in the transportation rate	0.66 hour	For each staff member
Time allocated to facility preparation	0.25 hours	For each staff member (15 minutes)
Time allocated to notes	0	Included in direct service time
Training Time	40 hours per year	Pro-rata amount for part-time staff
Employer Time	0.30 hours per week	Pro-rata amount for part-time staff
Average on-site time	3.98 hours per day	Billable Hours – difference between Total Hours and other productivity components
Number of staff members	Varies	Based on ratio of total direct care service staff hours with consumers present at the program to total consumer hours
Number of individuals	16	
Mileage: program-related	2 miles per day	
Mileage: consumer pick-up and drop-off	10 miles per day	In transportation model
Mileage reimbursement	74.0 cents per mile	Enhance mileage rate
Capital expense	\$9.01	Per consumer per day
Total transportation cost	\$0.00	Factor eliminated, costs included in 'Enhanced Mileage Rate'
Food	\$1.00	Per consumer per day
Supplies	\$2.05	Per consumer per day
Program support	4%	
Administrative overhead	10%	
Transition Staffing Factor	0%	Factor eliminated
SFY 09 Benchmark Rate	Varies	Range of ratio rates from \$9.61 (ratio of 1 : 3.5) to \$6.04 (1 : 9.5)

Table 22
Behaviorally or Medically Intense Day Treatment and Training, Adult/Child

Assumption/Result	Value	Comments
Unit of Service	60 minutes	
Hourly wage	\$11.73	<i>Blended Rate:</i> - 20% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 80% Personal and Home Care Aide (SOC Code 39-9021) of \$9.79 All wages were taken from BLS as of May 2006 and inflated to December 2008 (8.88%)
ERE	34.5% of wages	
Average travel	0 hours	
Notes and medical records	0	Included in direct service time.
Training Time	40 hours per year	
Allocation for Missed Appointments	0	
Average on-site time	7.85 hours per day	Billable Hours – difference between Total Hours and other productivity components
Mileage	0 miles	
Mileage reimbursement	44.5 cents per mile	Standard mileage rate
Program support	0%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$17.86	

Developmental Home Services

The rebasing project included two Developmental Home services and recalculated the payments to the family that are included in those services:

- Vendor Supported Developmental Home (Adult)
- Vendor Supported Developmental Home (Child)
- Adults (Family Payment)
- Children (Family Payment)

Changes to Rate Models

In addition to the general methodological changes and assumptions applied to all of the rebased rate models and discussed in the GENERAL METHODOLOGIES FOR REBASED RATES section of the RebaseBook, the following changes to the rebased cost models were made as compared to the SFY 2004 cost models:

- The reimbursement for licensure costs have been modified to allow for a renewal payment for each of the five years that is the assumed period of the relationship between the family and the consumer. In addition, the model continues to include one initial licensure payment that is amortized over five years.
- The Habilitation hourly rate included in the payments to families was reduced to the wage rate (as opposed to the agency rate schedule rate) to better reflect the cost of this service.

- The number of hours included in the models as an allowance for the agency to provide attendant care and habilitation services to the family were reduced from 50 hours in the current models to 35 in the proposed rebased models. This reduction was based on the responses to the provider survey.
- For the agency training staff, ERE was included at 30% as the wage level for these positions exceeded \$17.00
- The mileage included for the agency staff that monitors the home was reduced from 100 miles to 66.7 miles a month based on the number of visits reported in the provider survey.

The following assumptions were updated for the payments to family portion of the proposed rebased service model:

- For adults, the food expense is assumed at \$255.10 per person per month, or \$8.39 per person per day, based on USDA Moderate-Cost Food Plan variations (for adults) as of May 2007, inflated to December 2008, as indicated in Table 23. The USDA costs can be viewed at www.usda.gov.

Table 23
Adult Food Costs

Age	<u>Monthly</u>	<u>Daily</u>
12-14 years	\$252.08	\$8.29
15-19 years	\$261.85	\$8.61
20-50 years	\$260.80	\$8.58
51 years and over	\$245.67	\$8.08
Assumed Cost: average	\$255.10	\$8.39

- For children, the food expense is assumed at \$230.85 per person per month, or \$7.59 per person per day, based on USDA Moderate-Cost Food Plan variations as of May 2007, inflated to December 2008, as indicated in Table 24. The USDA costs can be viewed at www.usda.gov.

Table 24
Children Food Costs

Age	<u>Monthly</u>	<u>Daily</u>
1 years	\$127.25	\$4.19
2 years	\$128.82	\$4.24
3-5 years	\$145.64	\$4.79
6-8 years	\$199.02	\$6.55
9-11 years	\$230.85	\$7.59
Assumed Cost: max. expense	\$230.85	\$7.59

Table 25
Adults (Family Payment)

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	1 day	
Number of days receiving service	365	
Square footage	145	
Cost per square foot	\$13.50	Includes maintenance, utilities, phone
Meals per individual per day	\$8.39	
Total RRB	\$13.75	
Habilitation hours	4	
Habilitation hourly rate	\$12.26	Consistent with the Habilitation, Support base wage rate.
Monthly number of miles	250 miles	
Mileage reimbursement	44.5 cents per mile	
Administrative overhead	2%	
Total Payment to Family	\$67.78	Includes Room and Board

Table 26
Children (Family Payment)

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	1 day	
Number of days receiving service	365	
Square footage	140	
Cost per square foot	\$13.50	Includes maintenance, utilities, phone
Meals per individual per day	\$7.59	
Total RRB	\$12.77	
Habilitation hours	4	
Habilitation hourly rate	\$12.26	Consistent with the Habilitation, Support base wage rate.
Monthly number of miles	250 miles	
Mileage reimbursement	44.5 cents per mile	
Administrative overhead	2%	
Total Payment to Family	\$66.78	Includes Room and Board

Table 27
Vendor Supported Developmental Home (Adult)

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	1 day	
Years family is under agency supervision	5	
Days per year family under agency supervision	365	
Initial Home Licensure, per year	\$220	ACYF rate of \$1,000, multiplied by 10% DDD premium, spread over 5 years
Licensure Renewal, per year	\$500	Home Licensure Renewal payment allowed for every year.
Hourly wage for training staff	\$17.70	This assumption is consistent with Arizona statewide hourly wage for Child, Family and School Social Worker (SOC Code 21-1021) of \$16.26, taken from BLS as of May 2006 and inflated to December 2008 (8.88%).
ERE	30.0% of wages	Per guideline that wages in excess of \$17 receive ERE at 30%
Initial Training, per year	\$294	20 hours plus \$1,000 initial cost, spread over 5 years
Ongoing Training, per year	\$0	Included in license renewal.
Respite/Relief, per year	\$11,320	(720 hours) x (provider respite rate without admin. and program support)
Habilitation, per year	\$680	(35 hours) x (provider habilitation, support rate without admin. and program support)

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Attendant Care	\$550	(35 hours) x (provider attendant care rate without admin. and program support)
Hourly wage for administrative/ Monitoring staff	\$16.52	<i>Blended Rate:</i> - 50% Arizona statewide hourly wage for Child, Family and School Social Worker (SOC Code 21-1021) of \$16.26 - 50% Social and Human Service Assistant (SOC Code 21-1093) of \$14.09 Wages taken from BLS as of May 2006 and inflated to December 2008 (8.88%)
ERE	34.5% of wages	
Number of family visits per year	20.6	
Duration of family visit	1.3 hour	
Mileage, per year	729 miles	66.7 miles per month
Mileage reimbursement	44.5 cents per mile	
Program support	4%	
Administrative overhead	10%	
Total Retained by Agency	\$46.49	
Total Payment to Family	\$67.78	\$13.75 for Room and Board and \$54.03 for Other
Total Payment to Agency SFY 09	\$114.27	\$100.52 without Room and Board

Table 28
Vendor Supported Developmental Home (Child)

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	1 day	
Years family is under agency supervision	5	
Days per year family under agency supervision	365	
Initial Home Licensure, per year	\$220	ACYF rate of \$1,000, multiplied by 10% DDD premium, spread over 5 years
Licensure Renewal, per year	\$500	Home Licensure Renewal payment allowed for every year.
Hourly wage for training staff	\$17.70	This assumption is consistent with Arizona statewide hourly wage for Child, Family and School Social Worker (SOC Code 21-1021) of \$16.26, taken from BLS as of May 2006 and inflated to December 2008 (8.88%).
ERE	30.0% of wages	Per guideline that wages in excess of \$17 receive ERE at 30%
Initial Training, per year	\$294	20 hours plus \$1,000 initial cost, spread over 5 years
Ongoing Training, per year	\$0	Included in license renewal.
Respite/Relief, per year	\$11,320	(720 hours) x (provider respite rate without admin. and program support)
Habilitation, per year	\$680	(35 hours) x (provider habilitation, support rate without admin. and program support)
Attendant Care	\$550	(35 hours) x (provider attendant care rate without admin. and program support)
Hourly wage for administrative/ Monitoring staff	\$16.52	<i>Blended Rate:</i> - 50% Arizona statewide hourly wage for Child, Family and School Social Worker (SOC Code 21-1021) of \$16.26 - 50% Social and Human Service Assistant (SOC Code 21-1093) of \$14.09 Wages taken from BLS as of May 2006 and inflated to December 2008 (8.88%)
ERE	34.5% of wages	
Number of family visits per year	20	
Duration of family visit	1.4 hour	
Mileage, per year	729 miles	66.7 miles per month
Mileage reimbursement	44.5 cents per mile	
Program support	4%	
Administrative overhead	10%	

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Total Retained by Agency	\$46.68	
Total Payment to Family	\$66.78	\$12.77 for Room and Board and \$54.01 for Other
Total Payment to Agency SFY 09	\$113.45	\$100.68 without Room and Board

Group Home Services

The rebasing project included two Group Home services:

- Habilitation, Group Home
- Room and Board, All Group Homes

The Division is continuing to evaluate the two services of Habilitation, Community Protection and Treatment and Habilitation, Nursing Supported Group Home. As previously discussed, these rebased rates should be available for public comment by October 1, 2008.

Changes to Rate Models

In addition to the general methodological changes and assumptions applied to all of the rebased rate models and discussed in the GENERAL METHODOLOGIES FOR REBASED RATES section of the RebaseBook, the following changes to the rebased cost models were made as compared to the SFY 2004 cost models:

- The proposed rebased models are continuing to express the Habilitation, Group Home reimbursement in terms of a staff hour unit.
- The methodology for determining the reimbursement for transportation costs has been changed. In the current models, vehicle acquisition and insurance costs were allocated to the staff hour. The proposed rebased models have instead replaced the standard mileage rate of \$0.445 per mile with an 'enhanced mileage rate', similar to the enhanced mileage rate that is included in the Day Treatment and Training rebased models.

The following assumptions were used to determine the enhanced mileage rate:

- Vehicle acquisition assumed at \$48,000 for a 15 passenger van with a lift installed.
- Vehicle insurance assumed at \$300 per month.
- Vehicle maintenance assumed to be included in mileage reimbursement at 44.5 cents per mile.
- The maximum mileage on the vehicle is 100,000 miles. Based upon the daily mileage assumption (see below), the vehicle has a lifespan of 6.85 years.
- The salvage value at the end of the 100,000 mile period is 33.3% of acquisition costs (\$16,000). If the asset is disposed of prior to/after this

mileage threshold, the salvage is assumed to be higher/lower than assumed.

- The lifespan cost of the vehicle is \$56,660 (includes acquisition and insurance).
- The composition of the 44.5 cents per mile rate is:

	<u>%</u>	<u>\$</u>
▪ Fuel	18.4%	0.082
▪ Maintenance	8.1%	0.036
▪ Tires	1.0%	0.005
▪ License, Tax & Registration	6.8%	0.030
▪ Insurance	9.3%	0.041
▪ Depreciation	42.2%	0.188
▪ Finance	14.2%	0.063
- The costs of insurance, depreciation and finance in the standard mileage rate (which total \$.292) were replaced with \$0.566:

▪ Insurance	0.246
▪ Depreciation	0.320
- The resulting 'Enhanced mileage rate' utilized is \$0.720.
- The following assumptions were made concerning mileage for transportation expense:
 - On average, total daily mileage allowance per facility assumed at 40 miles, as indicated in Table 29:

Table 29
Group Home Daily Mileage Assumption

Activity	Mileage
Doctor's appointment	10
Day Treatment and Training or similar	20
Recreational activities	10
Total	40

- Total average staff hours per day are assumed at 42.08, calculated as:
 $(5.26 \text{ average FTE per site per day}) \times (8 \text{ hours per day}) = 42.08 \text{ hours per day}$.
- On average, every staff hour has 0.95 miles allocated, calculated as:
 $(40 \text{ miles per day}) / (42.08 \text{ hours per day}) = 0.95 \text{ miles per hour}$.
- For Room and Board, the proposed rebased model changes the methodology used to determine the "blended" daily rates. In the current models, it is assumed that up to two (2) individuals could occupy a single bedroom. In the proposed rebased model it is assumed that only one (1) individual occupies a bedroom. This is based on the results of the provider survey and other research by the consultant work group.

- The following assumptions were made for Room and Board, All Group Homes, rate models:
 - Rental payments were derived based on the size of the home and its geographical location from a number of data sources. The current rate model, the provider survey and data from the U.S. Department of Housing and Urban Development (HUD) were reviewed. The data from HUD was taken from *Fair Market Rent History (2000 to 2005)* (available at www.huduser.org/datasets/fmr.html) and information was extracted for Maricopa, Pima, and Coconino counties as well as the combined data for Yuma/Yavapai counties. As a general rule, the proposed rebased model assumes the HUD data as the factor for rent. However, based on the provider survey results, adjustments were made to align the HUD data to reported provider survey results. The adjustments were made by increasing the inflated value of the reported HUD information as depicted in Table 30. The values used for rental payments are depicted in Table 31.

Table 30
Percentage of HUD Reported Data Used for Rental Payments

	Number of bedrooms					
	1	2	3	4	5	6
Flagstaff	100%	100%	100%	100%	100%	100%
Phoenix-Mesa	100%	100%	100%	100%	100%	100%
Tucson	100%	100%	110%	110%	110%	110%
Yuma/Yavapai/ Non-metropolitan Areas	100%	100%	110%	110%	100%	100%

Table 31
Rental Payment Values Used in Room and Board Models

	Number of bedrooms					
	1	2	3	4	5	6
Flagstaff	\$845	\$955	\$1,228	\$1,549	\$1,785	\$2,020
Phoenix-Mesa	\$737	\$889	\$1,295	\$1,545	\$1,815	\$2,085
Tucson	\$570	\$732	\$1,160	\$1,226	\$1,426	\$1,625
Yuma/Yavapai/ Non-metropolitan Areas	\$592	\$707	\$1,104	\$1,353	\$1,442	\$1,654

- Utility payments (including electricity, water, trash pick up etc.) were developed as state-wide figures. The data source for electricity payments were obtained from the Arizona Public Service Online Home Analyzer tool as of October 2007 and the water payments were obtained from the City of Phoenix as of October 2007. The values used for utility payments are depicted in Table 32.

Table 32
Utility Payment Values Used in Room and Board Models

	Number of bedrooms (per month costs)					
	1	2	3	4	5	6
Electricity	\$140.22	\$164.26	\$189.80	\$211.76	\$233.80	\$256.97
Water, trash, etc.	\$46.37	\$46.37	\$46.37	\$46.37	\$46.37	\$46.37
Total	\$186.59	\$210.63	\$236.17	\$258.13	\$280.17	\$303.34

- Maintenance expenses (which include both maintenance and household consumables) are assumed to be \$100 per month for a one-bedroom home with a \$10.00 increase for each additional bedroom in the home. The values used for maintenance expense are depicted in Table 33:

Table 33
Maintenance Expense Values Used in Room and Board Models
(Including Maintenance and Household Consumables)

	Number of bedrooms					
	1	2	3	4	5	6
Maintenance	\$100.00	\$110.00	\$120.00	\$130.00	\$140.00	\$150.00

- Telephone expenses are assumed to be \$35 per month for a one-bedroom home, with \$5.00 increase for each additional bedroom in the home, inflated to December 2008, as indicated in Table 34:

Table 34
Telephone Expense Values Used in Room and Board Models

	Number of persons					
	1	2	3	4	5	6
Telephone	\$35.74	\$40.85	\$45.95	\$51.06	\$56.17	\$61.27

- Food expenses are assumed to be \$261.25 per person per month. Meal expense is based on USDA Moderate-Cost Plan variations as of May 2007, inflated to December 2008, as indicated in Table 35:

Table 35
Telephone Expense Values Used in Room and Board Models

Resident Age	Food Cost per Person per Month
20-50 years old	\$266.11
51 years old and over	\$256.39
Average	\$261.25

- The application of the Room and Board assumptions are displayed in the following Table. The Table indicates the daily per-person Room and Board rate calculated with the following assumptions:
 - A two-bedroom home
 - Two consumers residing in the home
 - The home is located in the Flagstaff metropolitan area
 - There are 30.4 days per month (on average).

Table 36
Example of the Monthly and Daily Values Used in Room and Board Models
Amounts are Per Person

Expense Area	Calculation	Monthly Value	Daily Value
Rent	\$955.37/2	\$477.69	\$15.71
Utilities	\$212.08/2	\$106.04	\$3.49
Telephone	(\$40.85)/2	\$20.43	\$0.67
Maintenance	\$110/2	\$55.00	\$1.81
Food	\$522.50/2	\$261.25	\$8.59
Total		\$924.39	\$30.41

Table 37
Habilitation, Group Home

Assumption/Result	Value	Comments
Unit of Service	60 minutes	
Hourly wage	\$12.26	<i>Blended Rate:</i> - 30% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 70% Personal and Home Care Aide (SOC Code 39-9021) of \$9.79 All wages were taken from BLS as of May 2006 and inflated to December 2008 (8.88%)
ERE	34.5% of wages	
Average travel	0	Included in direct service time.
Notes and medical records	0	Included in direct service time.
Training Time	40 hours per year	
Average on-site time	7.85 hours per day	Billable Hours – difference between Total Hours and other productivity components
Mileage	0.95 miles	Based on transportation assumptions
Mileage reimbursement	72.0 cents per mile	Utilizing 'Enhanced Mileage Rate'
Program Compliance	0%	Included in Program Support costs.
Program support	4%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$20.34	

Professional Services

The rebasing project included three Professional services:

- Home Health Aide
- Nursing, Short-Term
- Nursing, Long-Term

Changes to Rate Models

In addition to the general methodological changes and assumptions applied to all of the rebased rate models and discussed in the GENERAL METHODOLOGIES FOR REBASED RATES section of the RebaseBook, the following changes to the rebased cost models were made as compared to the SFY 2004 cost models:

- For all three models, the supervision element of cost that is contained in the current rate models has been removed from the proposed rebased models. This cost element is replaced with the program support cost element common to all rate models.

- For Home Health Aide the mileage allowance was reduced to conform to the results of the provider survey.
- For both of the Nursing services, the proposed rebased models have been restructured to conform to AHCCCS billing rules. Under the new billing structure:
 - Short-term nursing can **only** be billed for visits of less than 2 hours or multiple visits to the same client of less than 4 hours per day.
 - Nursing, Long-Term **must** be billed for visits of more than 2 hours or multiple visits to the same client of more than 4 hours per day. The service of Nursing, Continuous has been replaced with Nursing, Long-Term.
- For both of the Nursing services, the proposed rebase models have been adjusted for services delivered in rural areas. The determination of whether or not the rural rate is applicable will be determined based upon the client's county of residence. Services delivered to clients that reside in Maricopa, Pima and Pinal counties will be billed at the standard (or Urban) rate, while services delivered to clients that reside in all other counties will be billed at the rural rate. The rural adjustment is a 9% increase over the standard or urban rate.

Table 38
Home Health Aide

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	60 minutes	
Hourly wage	\$10.59	This assumption is consistent with Arizona statewide hourly wage for Home Health Aide (SOC Code 31-1011) of \$9.73, taken from BLS as of May 2006 and inflated to December 2008 (8.88%)
ERE	34.5% of wages	
Average number of client visits per day	4 visits	
Average travel	0.75 hours	Three trips between clients (45 minutes).
Notes and medical records	0	Included in direct service time.
Training time	40 hours per year	
Allocation for Missed Appointments	40 hours per year	Adjustment due to appointments missed (e.g. client unavailable).
Average on-site time	6.94 hours per day	Billable Hours – difference between Total Hours and other productivity components
Supervisor hourly wage	\$0.00	Factor removed.
Daily portion of supervision	0	Factor removed.
Mileage	22.5 miles	Average distance for each trip of 7.5 miles
Mileage reimbursement	44.5 cents per mile	
Program support	4%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$20.77	

Table 39
Nursing, Short-Term

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	60 minutes	Maximum of 2 hours per visit or multiple visits totaling less than 4 hours per day.
Hourly wage	\$23.05	<i>Blended Rate:</i> - 20% Arizona statewide hourly wage for Registered Nurse (SOC Code 29-1111) of \$28.12 - 80% Licensed Practical and Licensed Vocational Nurses (SOC Code 29-2061) of \$19.43 All wages were taken from BLS as of May 2006 and inflated to December 2008 (8.88%)
ERE	30.0% of wages	
Average number of client visits per day	5 visits	
Average travel	1 hour	Four trips between clients (60 minutes).
Notes and medical records	0.50 hours per day	Additional allowance included for increased documentation requirements (30 minutes).
Training time	40 hours per year	
Average on-site time	6.35 hours per day	Billable Hours – difference between Total Hours and other productivity components
Supervisor hourly wage	\$0.00	Factor removed.
Daily portion of supervision	0	Factor removed.
Mileage	30 miles	Average distance for each trip of 7.5 miles
Mileage reimbursement	44.5 cents per mile	
Program support	4%	
Administrative overhead	10%	Costs are capped at \$3.00 per staff hour.
Rural adjustment	9%	Applicable to services delivered outside of Maricopa, Pima and Pinal Counties.
SFY 09 Benchmark Rate	\$44.73	Rate applicable for Maricopa, Pima and Pinal Counties
	\$48.76	Rate applicable outside of Maricopa, Pima and Pinal Counties.

Table 40
Nursing, Long-Term

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	60 minutes	Utilized for visits of more than 2 hours or multiple visits totaling more than 4 hours per day.
Hourly wage	\$23.05	<i>Blended Rate:</i> - 20% Arizona statewide hourly wage for Registered Nurse (SOC Code 29-1111) of \$28.12 - 80% Licensed Practical and Licensed Vocational Nurses (SOC Code 29-2061) of \$19.43 All wages were taken from BLS as of May 2006 and inflated to December 2008 (8.88%)
ERE	30.0% of wages	
Average number of client visits per day	3 visits	
Average travel	0.60 hours	Two trips between clients (36 minutes).
Notes and medical records	0.50 hours per day	Additional allowance included for increased documentation requirements (30 minutes).
Training time	40 hours per year	
Average on-site time	6.75 hours per day	Billable Hours – difference between Total Hours and other productivity components
Mileage	30 miles	Average distance for each trip of 15 miles
Mileage reimbursement	44.5 cents per mile	
Program support	4%	
Administrative overhead	10%	Costs are capped at \$3.00 per staff hour.
Rural adjustment	9%	Applicable to services delivered outside of Maricopa, Pima and Pinal Counties.
SFY 09 Benchmark Rate	\$42.25	Rate applicable for Maricopa, Pima and Pinal Counties
	\$46.06	Rate applicable outside of Maricopa, Pima and Pinal Counties.

Specialized Habilitation Services

The rebasing project included one Specialized Habilitation service, Specialized Habilitation with Music Component.

Changes to Rate Models

There are no additional changes to this model other than the general methodological changes and assumptions applied to all of the rebased rate models and discussed in the GENERAL METHODOLOGIES FOR REBASED RATES section of the RebaseBook.

Table 41
Specialized Habilitation with Music Component

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	60 minutes	
Hourly wage	\$21.88	<i>Blended Rate:</i> - 10% Arizona statewide hourly wage for Child, Family and School Social Worker (SOC Code 21-1021) of \$17.70 - 90% Health Educators (21-1091) of \$22.34 All wages were taken from BLS as of December 2000 and inflated to December 2002 (7.85%)
ERE	30.0% of wages	
Average number of client visits per day	5 visits	
Average travel	1 hour	Four trips between clients (60 minutes).
Notes and medical records	0	Included in direct service time.
Training Time	40 hours per year	
Allocation for Missed Appointments	40 hours per year	Adjustment due to appointments missed (e.g. client unavailable).
Average on-site time	6.69 hours per day	Billable Hours – difference between Total Hours and other productivity components
Mileage	30 miles	Average distance for each trip of 7.5 miles
Mileage reimbursement	44.5 cents per mile	
Program support	4%	
Administrative overhead	10%	Costs are capped at \$3.00 per staff hour.
SFY 09 Benchmark Rate	\$40.67	

Transportation Services

The rebasing project included three Transportation services:

- Flat Trip Rate for Regularly Scheduled Daily Transportation, Urban (Adult)
- Flat Trip Rate for Regularly Scheduled Daily Transportation, Urban (Child)
- Flat Trip Rate for Regularly Scheduled Daily Transportation, Rural (Adult)

Changes to Rate Models

In addition to the general methodological changes and assumptions applied to all of the rebased rate models and discussed in the GENERAL METHODOLOGIES FOR REBASED RATES section of the RebaseBook, the following changes to the rebased cost models were made as compared to the SFY 2004 cost models:

- The rate models for Flat Trip Rate for Regularly Scheduled Daily Transportation include only the portion of staff time and expenses related to transporting clients to/from programs. “In program” transportation costs are now entirely reflected within the Day Program rate models
- The cost element for ‘Transportation Capital’ has been eliminated from the models and an ‘Enhanced Mileage Rate’ has replaced this element. The derivation of the ‘Enhanced Mileage Rate’ is explained in the discussion for the Day Treatment and Training services above.

The following Tables contain the specific assumptions associated with the Transportation services.

Table 42
Flat Trip Rate for Regularly Scheduled Daily Transportation, Urban (Adult)

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	Per Trip	
Hourly wage	\$11.73	<i>Blended Rate:</i> - 20% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 80% Personal and Home Care Aides (SOC Code 39-9021) of \$9.79. All wages taken from BLS as of May 2006 and inflated to December 2008 (8.88%).
ERE	34.5% of wages	
Staff hours per day assigned to Transportation	3.0	
Average number of clients transported per day	10	
Average mileage per client per day	10 miles	
Mileage reimbursement	77.9 cents per mile	Enhanced mileage rate
Program support	4%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$10.64	

Table 43
Flat Trip Rate for Regularly Scheduled Daily Transportation, Urban (Child)

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	Per Trip	
Hourly wage	\$11.73	<i>Blended Rate:</i> - 20% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 80% Personal and Home Care Aides (SOC Code 39-9021) of \$9.79. All wages taken from BLS as of May 2006 and inflated to December 2008 (8.88%).
ERE	34.5% of wages	
Staff hours per day assigned to Transportation	1.5	
Average number of clients transported per day	5	
Average mileage per client per day	10 miles	
Mileage reimbursement	74.0 cents per mile	Enhanced mileage rate
Program support	4%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$10.42	

Table 44
Flat Trip Rate for Regularly Scheduled Daily Transportation, Rural (Adult)

<u>Assumption/Result</u>	<u>Value</u>	<u>Comments</u>
Unit of Service	Per Trip	
Hourly wage	\$11.73	<i>Blended Rate:</i> - 20% Rehabilitation Counselors (SOC Code 21-1015) of \$14.70 - 80% Personal and Home Care Aides (SOC Code 39-9021) of \$9.79. All wages taken from BLS as of May 2006 and inflated to December 2008 (8.88%).
ERE	34.5% of wages	
Staff hours per day assigned to Transportation	2.0	
Average number of clients transported per day	4	
Average mileage per client per day	20 miles	
Mileage reimbursement	68.2 cents per mile	Enhanced mileage rate
Program support	4%	
Administrative overhead	10%	
SFY 09 Benchmark Rate	\$18.12	

RebaseBook 2008

Independent Rate Models

July 11, 2008

Independent Rate Models
Home-Based Services
Attendant Care

	Current Model	Inflated Model	Proposed ReBase
Service	Attendant Care		
Unit of Service	1 hour	1 hour	1 hour
DDD Taxonomy Code	T03809	T03809	T03809
AHCCCS Procedure Code / Unit of Service	S5125 / 15 min.	S5125 / 15 min.	S5125 / 15 min.
FFY 08 AHCCCS Rate		\$4.30	\$4.30
Hourly Wage	\$9.12	\$10.37	\$10.66
Annual Wage	\$18,978	\$21,574	\$22,173
ERE (as percent of wages)	30.0%	30.0%	34.5%
Hourly Compensation (wages + ERE)	\$11.86	\$13.48	\$14.34
Annual Compensation (wages + ERE)	\$24,671	\$28,046	\$29,822
Factors Offsetting Direct Care Service Hours			
- Total Hours	8.00	8.00	8.00
- Travel Time	0.25	0.25	0.25
- Time allocated to notes/med records	0.25	0.25	0.00
- Training Time	0.00	0.00	0.15
- Time allocated to missed appointments	0.00	0.00	0.15
- Average on-site time; "Billable Hours"	7.50	7.50	7.44
- Productivity Adjustment	1.07	1.07	1.07
Hourly Compensation After Adjustment	\$12.65	\$14.38	\$15.41
Annual Compensation After Adjustment	\$24,671	\$28,046	\$29,822
Mileage			
- Number of Miles	5.0	5.0	7.5
- Amount per mile	\$0.345	\$0.392	\$0.445
Total Mileage Amount	\$1.73	\$1.96	\$3.34
Hourly mileage cost	\$0.23	\$0.26	\$0.45
Program Support Costs			
- Program Support Percent	0.0%	0.0%	4.0%
- Non-travel/Total cost	\$12.65	\$14.38	\$15.86
Hourly program support cost	\$0.00	\$0.00	\$0.74
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$12.65	\$14.38	\$15.86
Hourly administrative cost	\$1.27	\$1.44	\$1.84
SFY 04			
Benchmark Rate	\$14.15		
Adopted Rate Factor	93.0%		
Adopted Rate	\$13.16		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$14.75		
Adopted Rate Factor	95.75%		
Adopted Rate	\$14.12		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$14.75		
Adopted Rate Factor	97.61%		
Adopted Rate	\$14.40		

Independent Rate Models
Home-Based Services
Attendant Care

	Current Model	Inflated Model	Proposed ReBase
Service	Attendant Care		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$15.34		
Adopted Rate Factor	97.61%		
Adopted Rate	\$14.97		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$15.59		
Adopted Rate Factor	100.00%		
Adopted Rate	\$15.59		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$16.09	\$16.08	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$16.09	\$16.08	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$18.44
Adopted Rate Factor			
Adopted Rate			

Independent Rate Models
Home-Based Services
Habilitation, Community Protection & Treatment, Hourly

	Current Model	Inflated Model	Proposed Rebase ¹
Service	Habilitation, Community Protection and Treatment, Hourly		
Unit of Service	1 hour	1 hour	1 hour
DDD Taxonomy Code	T03827	T03827	T03827
Hourly Wage	\$12.09	\$13.74	\$13.49
Annual Wage	\$25,147	\$28,587	\$28,059
ERE (as percent of wages)	30%	30.0%	34.5%
Hourly Compensation (wages + ERE)	\$15.72	\$17.87	\$18.14
Annual Compensation (wages + ERE)	\$32,691	\$37,163	\$37,740
Factors Offsetting Direct Care Service Hours			
- Total Hours	8.00	8.00	8.00
- Travel Time	0.00	0.00	0.50
- Time allocated to notes/med records	0.00	0.00	0.00
- Training Time	0.00	0.00	0.25
- Time allocated to missed appointments	0.00	0.00	0.08
- Average on-site time; "Billable Hours"	8.00	8.00	7.17
- <i>Productivity Adjustment</i>	1.00	1.00	1.12
Hourly Compensation After Adjustment	\$15.72	\$17.87	\$20.24
Annual Compensation After Adjustment	\$32,691	\$37,163	\$37,740
Transportation			
- Vehicle allocation	\$0.6556	\$0.7453	
- Number of Miles	1.14	1.14	15.00
- Amount per mile	\$0.345	\$0.392	\$0.445
Total Mileage Amount	\$0.39	\$0.45	\$0.68
Hourly Transportation cost	\$1.05	\$1.19	\$0.93
Program Compliance			
- Compliance Percent	4.0%	4.0%	0.0%
- Non-travel/Total cost	\$15.72	\$17.87	\$21.17
Hourly Program Compliance cost	\$0.63	\$0.71	\$0.00
Program Support Cost			
- Program Support Percent	0.0%	0.0%	4.0%
- Non-travel/Total cost	\$15.72	\$17.87	\$21.17
Total Program Support Cost	\$0.00	\$0.00	\$0.98
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$15.72	\$17.87	\$21.17
Hourly Administrative Overhead cost	\$1.57	\$1.79	\$2.46
SFY 04			
Benchmark Rate	\$18.97		
Adopted Rate Factor	93.0%		
Adopted Rate	\$17.64		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$19.78		
Adopted Rate Factor	95.75%		
Adopted Rate	\$18.94		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$19.78		
Adopted Rate Factor	97.61%		

Independent Rate Models
Home-Based Services
Habilitation, Community Protection & Treatment, Hourly

	Current Model	Inflated Model	Proposed Rebase ¹
Service	Habilitation, Community Protection and Treatment, Hourly		
Adopted Rate	\$19.30		

Independent Rate Models
Home-Based Services
Habilitation, Community Protection & Treatment, Hourly

	Current Model	Inflated Model	Proposed Rebase ¹
Service	Habilitation, Community Protection and Treatment, Hourly		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$20.57		
Adopted Rate Factor	97.61%		
Adopted Rate	\$20.08		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$20.90		
Adopted Rate Factor	100.00%		
Adopted Rate	\$20.90		
SFY 08 (7/1/07 - 6/30/08) vs SFY09 Proposed			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$21.57	\$21.56	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$21.57	\$21.56	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$24.61
Adopted Rate Factor			
Adopted Rate			

¹ Wages include a 10% premium over wages for Habilitation, Support.

Independent Rate Models
Home-Based Services
Habilitation, Support

	Current Model	Inflated Model	Proposed ReBase
Service	Habilitation, Support		
Unit of Service	1 hour	1 hour	1 hour
DDD Taxonomy Code	T03827	T03827	T03827
AHCCCS Procedure Code / Unit of Service	T2017 / hour	T2017 / hour	T2017 / hour
FFY 08 AHCCCS Rate	By Report	By Report	By Report
Hourly Wage	\$10.99	\$12.50	\$12.26
Annual Wage	\$22,866	\$25,994	\$25,501
ERE (as percent of wages)	30.0%	30.0%	34.5%
Hourly Compensation (wages + ERE)	\$14.29	\$16.25	\$16.49
Annual Compensation (wages + ERE)	\$29,726	\$33,793	\$34,299
Factors Offsetting Direct Care Service Hours			
- Total Hours	8.00	8.00	8.00
- Travel Time	0.50	0.50	0.50
- Time allocated to notes/med records	0.25	0.25	0.00
- Training Time	0.00	0.00	0.15
- Time allocated to missed appointments	0.00	0.00	0.15
- Average on-site time; "Billable Hours"	7.25	7.25	7.19
- <i>Productivity Adjustment</i>	1.10	1.10	1.11
Hourly Compensation After Adjustment	\$15.77	\$17.93	\$18.34
Annual Compensation After Adjustment	\$29,726	\$33,793	\$34,299
Mileage			
- Number of Miles	15	15	15
- Amount per mile	\$0.345	\$0.392	\$0.445
Total Mileage Amount	\$5.18	\$5.88	\$6.68
Hourly mileage cost	\$0.71	\$0.81	\$0.93
Program Support Costs			
- Program Support Percent	0.0%	0.0%	4.0%
- Non-travel/Total cost	\$15.77	\$17.93	\$19.27
Hourly program support cost	\$0.00	\$0.00	\$0.90
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$15.77	\$17.93	\$19.27
Hourly administrative cost	\$1.58	\$1.79	\$2.24
SFY 04			
Benchmark Rate	\$18.06		
Adopted Rate Factor	93.0%		
Adopted Rate	\$16.80		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$18.83		
Adopted Rate Factor	95.75%		
Adopted Rate	\$18.03		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$18.83		
Adopted Rate Factor	97.61%		
Adopted Rate	\$18.38		

Independent Rate Models

Home-Based Services
Habilitation, Support

	Current Model	Inflated Model	Proposed ReBase
Service	Habilitation, Support		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$19.58		
Adopted Rate Factor	97.61%		
Adopted Rate	\$19.11		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$19.89		
Adopted Rate Factor	100.00%		
Adopted Rate	\$19.89		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$20.53	\$20.53	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$20.53	\$20.53	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$22.41
Adopted Rate Factor			
Adopted Rate			

Independent Rate Models
Home-Based Services
Housekeeping

	Current Model	Inflated Model	Proposed ReBase
Service	Housekeeping		
Unit of Service	1 hour	1 hour	1 hour
DDD Taxonomy Code	T03802	T03802	T03802
AHCCCS Procedure Code / Unit of Service	S5130 / 15 min.	S5130 / 15 min.	S5130 / 15 min.
FFY 08 AHCCCS Rate	\$4.79	\$5.60	\$5.60
Hourly Wage	\$8.09	\$9.20	\$9.46
Annual Wage	\$16,835	\$19,138	\$19,677
ERE (as percent of wages)	30.0%	30.0%	34.5%
Hourly Compensation (wages + ERE)	\$10.52	\$11.96	\$12.72
Annual Compensation (wages + ERE)	\$21,886	\$24,880	\$26,465
Factors Offsetting Direct Care Service Hours			
- Total Hours	8.00	8.00	8.00
- Travel Time	0.50	0.50	0.50
- Time allocated to notes/med records	0.00	0.00	0.00
- Training Time	0.00	0.00	0.00
- Time allocated to missed appointments	0.00	0.00	0.00
- Average on-site time; "Billable Hours"	7.50	7.50	7.50
- Productivity Adjustment	1.07	1.07	1.07
Hourly Compensation After Adjustment	\$11.22	\$12.76	\$13.57
Annual Compensation After Adjustment	\$21,886	\$24,880	\$26,465
Mileage			
- Number of Miles	15	15	15
- Amount per mile	\$0.345	\$0.392	\$0.445
Total Mileage Amount	\$5.18	\$5.88	\$6.68
Hourly mileage cost	\$0.69	\$0.78	\$0.89
Program Support Costs			
- Program Support Percent	0.0%	0.0%	0.0%
- Non-travel/Total cost	\$11.22	\$12.76	\$14.46
Hourly program support cost	\$0.00	\$0.00	\$0.00
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$11.22	\$12.76	\$14.46
Hourly administrative cost	\$1.12	\$1.28	\$1.61
SFY 04			
Benchmark Rate	\$13.04		
Adopted Rate Factor	93.0%		
Adopted Rate	\$12.13		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$13.59		
Adopted Rate Factor	95.75%		
Adopted Rate	\$13.01		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$13.59		
Adopted Rate Factor	97.61%		
Adopted Rate	\$13.27		

Independent Rate Models
Home-Based Services
Housekeeping

	Current Model	Inflated Model	Proposed ReBase
Service	Housekeeping		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$14.13		
Adopted Rate Factor	97.61%		
Adopted Rate	\$13.80		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$14.36		
Adopted Rate Factor	100.00%		
Adopted Rate	\$14.36		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$14.82	\$14.82	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$14.82	\$14.82	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$16.07
Adopted Rate Factor			
Adopted Rate			

Independent Rate Models

Home-Based Services

Respite, Short-Term

	Current Model	Inflated Model	Proposed ReBase
Service	Respite, Short-Term		
Unit of Service	1 hour	1 hour	1 hour
DDD Taxonomy Code	T03807	T03807	T03807
AHCCCS Procedure Code / Unit of Service	T5150 / 15 min.	T5150 / 15 min.	T5150 / 15 min.
FFY 08 AHCCCS Rate	\$3.61	\$4.40	\$4.40
Hourly Wage	\$9.12	\$10.37	\$10.66
Annual Wage	\$18,978	\$21,574	\$22,173
ERE (as percent of wages)	30.0%	30.0%	34.5%
Hourly Compensation (wages + ERE)	\$11.86	\$13.48	\$14.34
Annual Compensation (wages + ERE)	\$24,671	\$28,046	\$29,822
Factors Offsetting Direct Care Service Hours			
- Total Hours	8.00	8.00	8.00
- Travel Time	0.25	0.25	0.25
- Time allocated to notes/med records	0.10	0.10	0.00
- Training Time	0.00	0.00	0.15
- Time allocated to missed appointments	0.00	0.00	0.15
- Average on-site time; "Billable Hours"	7.65	7.65	7.44
- Productivity Adjustment	1.05	1.05	1.07
Hourly Compensation After Adjustment	\$12.40	\$14.10	\$15.41
Annual Compensation After Adjustment	\$24,671	\$28,046	\$29,822
Mileage			
- Number of Miles	5	5	7.5
- Amount per mile	\$0.345	\$0.392	\$0.445
Total Mileage Amount	\$1.73	\$1.96	\$3.34
Hourly mileage cost	\$0.23	\$0.26	\$0.45
Program Support Costs			
- Program Support Percent	0.0%	0.0%	4.0%
- Non-travel/Total cost	\$12.40	\$14.10	\$15.86
Hourly program support cost	\$0.00	\$0.00	\$0.74
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$12.40	\$14.10	\$15.86
Hourly administrative cost	\$1.24	\$1.41	\$1.84
SFY 04			
Benchmark Rate	\$13.87		
Adopted Rate Factor	93.0%		
Adopted Rate	\$12.90		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$14.46		
Adopted Rate Factor	95.75%		
Adopted Rate	\$13.84		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$14.46		
Adopted Rate Factor	97.61%		
Adopted Rate	\$14.11		

Independent Rate Models

Home-Based Services
Respite, Short-Term

	Current Model	Inflated Model	Proposed ReBase
Service	Respite, Short-Term		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$15.04		
Adopted Rate Factor	97.61%		
Adopted Rate	\$14.68		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$15.28		
Adopted Rate Factor	100.00%		
Adopted Rate	\$15.28		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$15.77	\$15.77	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$15.77	\$15.77	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$18.44
Adopted Rate Factor			
Adopted Rate			

Independent Rate Models
Home-Based Services
Respite, Continuous/Long-Term

	Current Model	Inflated Model	Proposed Rebase	
Service	Respite, Continuous / Long Term			
Unit of Service	13+ hours T03807	13+ hours T03807	1 hour T03807	
DDD Taxonomy Code				
AHCCCS Procedure Code / Unit of Service	S5151 / per diem	S5151 / per diem	S5151 / per diem	
FFY 08 AHCCCS Rate	\$173.58	\$225.00	\$225.00	
Hourly Wage	\$9.12	\$10.37		
Annual Wage	\$18,978	\$21,574		
ERE (as percent of wages)	30.0%	30.0%		
Hourly Compensation (wages + ERE)	\$11.86	\$13.48		
Annual Compensation (wages + ERE)	\$24,671	\$28,046		
Factors Offsetting Direct Care Service Hours				
- Total Hours	8.00	8.00	8.00	8.00
- Travel Time	0.00	0.00	0.00	0.00
- Time allocated to notes/med records	0.00	0.00	0.00	0.00
- Training Time	0.00	0.00	0.15	0.00
- Time allocated to missed appointments	0.00	0.00	0.00	0.00
- Average on-site time; "Billable Hours"	8.00	8.00	7.85	8.00
- Productivity Adjustment	1.00	1.00	1.02	1.00
Hourly Compensation After Adjustment	\$11.86	\$13.48	\$14.62	\$7.59
Annual Compensation After Adjustment	\$24,671	\$28,046	\$29,822	\$15,780
Mileage				
- Number of Miles	0	0	0	0
- Amount per mile	\$0.345	\$0.392	\$0.445	\$0.445
Total Mileage Amount	\$0.00	\$0.00	\$0.00	\$0.00
Hourly mileage cost	\$0.00	\$0.00	\$0.00	\$0.00
Program Support Costs				
- Program Support Percent	0.0%	0.0%	4.0%	0.0%
- Non-travel/Total cost	\$11.86	\$13.48	\$14.62	\$7.59
Hourly program support cost	\$0.00	\$0.00	\$0.68	\$0.00
Administrative Overhead				
- Administrative Percent	10.0%	10.0%	10.0%	0.0%
- Non-travel/Total cost	\$11.86	\$13.48	\$14.62	\$7.59
Hourly administrative cost	\$1.19	\$1.35	\$1.70	\$0.00
SFY 04				
Benchmark Rate	\$169.61			
Adopted Rate Factor	93.0%			
Adopted Rate	\$157.74			
SFY 05				
Benchmark Rate Inflation Adjustment	4.25%			
Benchmark Rate	\$176.82			
Adopted Rate Factor	95.75%			
Adopted Rate	\$169.30			
SFY 06 (7/1/05 - 12/31/05)				
Benchmark Rate Inflation Adjustment	0.00%			
Benchmark Rate	\$176.82			
Adopted Rate Factor	97.61%			
Adopted Rate	\$172.59			

Independent Rate Models
Home-Based Services
Respite, Continuous/Long-Term

Service	Current Model	Inflated Model	Proposed Rebase
Respite, Continuous / Long Term			
SFY 06 (1/1/06 - 6/30/06) Benchmark Rate Inflation Adjustment Benchmark Rate Adopted Rate Factor Adopted Rate	4.00% \$183.89 97.61% \$179.50		
SFY 07 (7/1/06 - 6/30/07) Benchmark Rate Inflation Adjustment Benchmark Rate Adopted Rate Factor Adopted Rate	1.60% \$186.83 100.00% \$186.83		
SFY 08 (7/1/07 - 6/30/08) Benchmark Rate Inflation Adjustment Benchmark Rate Effective Hourly Amount (@24 hours) Adopted Rate Factor Adopted Rate Effective Hourly Amount (@24 hours)	3.20% \$192.81 \$8.03 100.00% \$192.81 \$8.03	 \$192.81 \$8.03 100.00% \$192.81 \$8.03	
SFY 09 (7/1/08 - 6/30/09) Benchmark Rate Adopted Rate Factor Adopted Rate			\$13.86

Independent Rate Models
Independent Living Services
Habilitation, Individually Designed Living Arrangement

	Current Model	Inflated Model	Proposed ReBase
Service	Habilitation, Individually Designed Living Arrangement (Hourly)		
Unit of Service	1 hour	1 hour	1 hour
DDD Taxonomy Code	T03827	T03827	T03827
AHCCCS Procedure Code / Unit of Service	T2017 / hour	T2017 / hour	T2017 / hour
FFY 08 AHCCCS Rate	By Report	By Report	By Report
Hourly Wage	\$12.36	\$14.05	\$12.26
Annual Wage	\$25,712	\$29,229	\$25,501
ERE (as percent of wages)	30.0%	30.0%	34.5%
Hourly Compensation (wages + ERE)	\$16.07	\$18.27	\$16.49
Annual Compensation (wages + ERE)	\$33,425	\$37,998	\$34,299
Factors Offsetting Direct Care Service Hours			
- Total Hours	8.00	8.00	8.00
- Travel Time	0.00	0.00	0.50
- Time allocated to notes/med records	0.25	0.25	0.00
- Training Time	0.00	0.00	0.15
- Time allocated to missed appointments	0.00	0.00	0.15
- Average on-site time; "Billable Hours"	7.75	7.75	7.19
- <i>Productivity Adjustment</i>	1.03	1.03	1.11
Hourly Compensation After Adjustment	\$16.59	\$18.86	\$18.34
Annual Compensation After Adjustment	\$33,425	\$37,998	\$34,299
Mileage			
- Number of Miles	0	0	15
- Amount per mile	\$0.345	\$0.392	\$0.445
Total Mileage Amount	\$0.00	\$0.00	\$6.68
Hourly mileage cost	\$0.00	\$0.00	\$0.93
Program Support Costs			
- Program Support Percent	0.0%	0.0%	4.0%
- Non-travel/Total cost	\$16.59	\$18.86	\$19.27
Hourly program support cost	\$0.00	\$0.00	\$0.90
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$16.59	\$18.86	\$19.27
Hourly administrative cost	\$1.66	\$1.89	\$2.24
SFY 04			
Benchmark Rate	\$18.25		
Adopted Rate Factor	93.0%		
Adopted Rate	\$16.97		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$19.03		
Adopted Rate Factor	95.75%		
Adopted Rate	\$18.22		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$19.03		
Adopted Rate Factor	97.61%		
Adopted Rate	\$18.57		

Independent Rate Models
Independent Living Services
Habilitation, Individually Designed Living Arrangement

	Current Model	Inflated Model	Proposed ReBase
Service	Habilitation, Individually Designed Living Arrangement (Hourly)		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$19.79		
Adopted Rate Factor	97.61%		
Adopted Rate	\$19.31		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$20.10		
Adopted Rate Factor	100.00%		
Adopted Rate	\$20.10		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$20.74	\$20.74	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$20.74	\$20.74	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$22.41
Adopted Rate Factor			
Adopted Rate			

Independent Rate Models
Independent Living Services
Habilitation, Individually Designed Living Arrangement, Daily

	Current Model ¹	Inflated Model ¹	Proposed ReBase
Service	Habilitation, Individually Designed Living Arrangement, Daily		
Unit of Service	1 hour	1 hour	1 hour
DDD Taxonomy Code	T03827	T03827	T03827
AHCCCS Procedure Code / Unit of Service	T2017 / hour	T2017 / hour	T2017 / hour
FFY 08 AHCCCS Rate	By Report	By Report	By Report
Hourly Wage	\$12.36	\$14.05	\$12.26
Annual Wage	\$25,712	\$29,229	\$25,501
ERE (as percent of wages)	30.0%	30.0%	34.5%
Hourly Compensation (wages + ERE)	\$16.07	\$18.27	\$16.49
Annual Compensation (wages + ERE)	\$33,425	\$37,998	\$34,299
Factors Offsetting Direct Care Service Hours			
- Total Hours	8.00	8.00	8.00
- Travel Time	0.00	0.00	0.00
- Time allocated to notes/med records	0.25	0.25	0.00
- Training Time	0.00	0.00	0.15
- Time allocated to missed appointments	0.00	0.00	0.00
- Average on-site time; "Billable Hours"	7.75	7.75	7.85
- <i>Productivity Adjustment</i>	<i>1.03</i>	<i>1.03</i>	<i>1.02</i>
Hourly Compensation After Adjustment	\$16.59	\$18.86	\$16.81
Annual Compensation After Adjustment	\$33,425	\$37,998	\$34,299
Mileage			
- Number of Miles	0	0	0
- Amount per mile	\$0.345	\$0.392	\$0.445
Total Mileage Amount	\$0.00	\$0.00	\$0.00
Hourly mileage cost	\$0.00	\$0.00	\$0.00
Program Support Costs			
- Program Support Percent	0.0%	0.0%	4.0%
- Non-travel/Total cost	\$16.59	\$18.86	\$16.81
Hourly program support cost	\$0.00	\$0.00	\$0.78
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$16.59	\$18.86	\$16.81
Hourly administrative cost	\$1.66	\$1.89	\$1.96
SFY 04			
Benchmark Rate	\$18.25		
Adopted Rate Factor	93.0%		
Adopted Rate	\$16.97		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$19.03		
Adopted Rate Factor	95.75%		
Adopted Rate	\$18.22		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$19.03		
Adopted Rate Factor	97.61%		
Adopted Rate	\$18.57		

Independent Rate Models
Independent Living Services
Habilitation, Individually Designed Living Arrangement, Daily

	Current Model ¹	Inflated Model ¹	Proposed ReBase
Service	Habilitation, Individually Designed Living Arrangement, Daily		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$19.79		
Adopted Rate Factor	97.61%		
Adopted Rate	\$19.31		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$20.10		
Adopted Rate Factor	100.00%		
Adopted Rate	\$20.10		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$20.74	\$20.74	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$20.74	\$20.74	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$19.55
Adopted Rate Factor			
Adopted Rate			

¹ Values derived from Habilitation, Individually Designed Living Arrangement (Hourly) rate amounts

Independent Rate Models
Day Treatment & Training Services
Day Treatment & Training, Adult

	Current Model	Inflated Model	Proposed Rebase			
Service	Day Treatment and Training, Adult					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Unit of Service	1 client hour	1 client hour	1 client hour	1 client hour	1 client hour	1 client hour
DDD Taxonomy Code	T04003	T04003	T04003	T04003	T04003	T04003
Hourly Wage	\$13.22	\$15.03	\$11.73	\$11.73	\$11.73	\$11.73
Annual Wage	\$27,506	\$31,269	\$24,398	\$24,398	\$24,398	\$24,398
ERE (as percent of wages)	30%	30%	34.5%	34.5%	34.5%	34.5%
Hourly Compensation (wages + ERE)	\$17.19	\$19.54	\$15.78	\$15.78	\$15.78	\$15.78
Annual Compensation (wages + ERE)	\$35,758	\$40,650	\$32,816	\$32,816	\$32,816	\$32,816
Productivity Assumptions						
- Total Hours	8.00	8.00	8.00	8.00	8.00	8.00
- Direct Care Travel Time: Charged to Transportation	0.80	0.80	0.66	0.66	0.66	0.66
- Total Hours before productivity adjustments	7.20	7.20	7.34	7.34	7.34	7.34
- Time allocated to facility preparation	0.20	0.20	0.50	0.50	0.50	0.50
- Time allocated to notes & medical records	0.00	0.00	0.00	0.00	0.00	0.00
- Training Time	0.00	0.00	0.15	0.15	0.15	0.15
- Employer Time	0.00	0.00	0.10	0.10	0.10	0.10
- Average on-site time; "Billable Hours"	7.00	7.00	6.59	6.59	6.59	6.59
- Productivity Adjustment	1.03	1.03	1.11	1.11	1.11	1.11
Hourly Compensation After Adjustment	\$17.68	\$20.10	\$17.57	\$17.57	\$17.57	\$17.57
Annual Compensation After Adjustment	\$32,182	\$36,585	\$28,965	\$28,965	\$28,965	\$28,965
Days Adjustment						
Days Billable	200	200	225	225	225	225
Days Paid	250	250	250	250	250	250
Ratio	0.80	0.80	0.90	0.90	0.90	0.90
Hourly Rate	\$22.10	\$25.13	\$19.52	\$19.52	\$19.52	\$19.52
Annual Compensation	\$32,182	\$36,585	\$28,965	\$28,965	\$28,965	\$28,965
Staffing						
- Number of Staff Members	3.66	3.66	4.57	2.91	2.13	1.68
- Number of Individuals Served	16.0	16.0	16.0	16.0	16.0	16.0
Ratio of staff to individual	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Total Staff Compensation	\$117,788	\$133,901	\$132,413	\$84,263	\$61,793	\$48,784
Total Hourly Compensation After Adjustment	\$80.90	\$91.96	\$89.25	\$56.80	\$41.65	\$32.88
Hourly Compensation per Individual	\$5.26	\$5.98	\$5.58	\$3.55	\$2.60	\$2.06
Mileage						
- Program-Related Transportation per Individual	2.0	2.0	2.0	2.0	2.0	2.0
- Amount per mile	\$0.345	\$0.392	\$0.779	\$0.779	\$0.779	\$0.779
Total Mileage Amount per Individual	\$0.69	\$0.78	\$1.56	\$1.56	\$1.56	\$1.56
Hourly Mileage Cost per Individual	\$0.10	\$0.11	\$0.24	\$0.24	\$0.24	\$0.24
Program Transport Cost per Individual per Day	\$3.28	\$3.73				
Hourly Transportation Cost per Individual	\$0.47	\$0.53				
Capital						
- Square Footage	2,000	2,000	2,000	2,000	2,000	2,000
- Square Footage per client	125.0	125.0	125.0	125.0	125.0	125.0
- Cost per Square Foot	\$12.00	\$13.64	\$19.46	\$19.46	\$19.46	\$19.46
- Number of Days in Service	200	200	225	225	225	225
Total Square Footage per Individual per Day	\$7.50	\$8.53	\$10.81	\$10.81	\$10.81	\$10.81
Hourly Capital Cost per Individual	\$1.07	\$1.22	\$1.64	\$1.64	\$1.64	\$1.64

Independent Rate Models
Day Treatment & Training Services
Day Treatment & Training, Adult

	Current Model	Inflated Model	Proposed Rebase			
Service	Day Treatment and Training, Adult					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Supplies						
Supplies per Individual per Day	\$1.00	\$1.14	\$2.05	\$2.05	\$2.05	\$2.05
Hourly Supply Cost per Individual	\$0.14	\$0.16	\$0.31	\$0.31	\$0.31	\$0.31
Hourly Program Compliance cost						
- Compliance Percent	2%	2%	0%	0%	0%	0%
- Non-travel cost	\$6.94	\$7.89	\$7.76	\$5.74	\$4.79	\$4.24
Hourly Program Compliance cost	\$0.14	\$0.16	\$0.00	\$0.00	\$0.00	\$0.00
Program Support Costs						
- Program Support Percent	0.0%	0.0%	4.0%	4.0%	4.0%	4.0%
- Non-travel/Total cost	\$6.94	\$7.89	\$7.76	\$5.74	\$4.79	\$4.24
Hourly program support cost	\$0.00	\$0.00	\$0.36	\$0.27	\$0.22	\$0.20
Administrative Overhead						
- Administrative Percent	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
- Non-travel cost	\$6.94	\$7.89	\$7.76	\$5.74	\$4.79	\$4.24
Hourly administrative cost	\$0.69	\$0.79	\$0.90	\$0.67	\$0.56	\$0.49
SFY 04 Original						
Benchmark Rate	\$7.87					
Transition Staffing Factor (TSF)	85.0%					
Transition Staffing Adjustment (Dividing by TSF)	\$9.26					
Adopted Rate Factor	93.0%					
Calculated Adopted Rate	\$8.61					
Adopted Rate - Rounded	\$8.60					
SFY 05 Original						
Benchmark Rate Inflation Adjustment	4.25%					
Benchmark Rate	\$8.20					
Adopted Rate Factor	95.75%					
Calculated Adopted Rate	\$7.86					
Adopted Rate = Same as in SFY 04	\$8.60					
SFY 04 Revised						
Subtotal	\$7.87					
Transition Staffing Factor (TSF)	85.0%					
Transition Staffing Adjustment (Dividing by TSF)	\$9.26					
Benchmark Rate	\$9.26					
Adopted Rate Factor	93.0%					
Calculated Adopted Rate	\$8.61					
Adopted Rate - Rounded	\$8.60					
SFY 05 Revised						
Benchmark Rate Inflation Adjustment	4.25%					
Benchmark Rate	\$9.65					
Adopted Rate Factor	95.75%					
Calculated Adopted Rate	\$9.24					
Adopted Rate = Same as in SFY 04	\$8.60					
Adopted as percentage of Benchmark	89.1%					
SFY 06 (7/1/05 - 12/31/05)						
Benchmark Rate Inflation Adjustment	0.00%					
Benchmark Rate	\$9.65					
Adopted Rate Factor	97.61%					
Adopted Rate	\$9.42					

Independent Rate Models
Day Treatment & Training Services
Day Treatment & Training, Adult

	Current Model	Inflated Model	Proposed Rebase			
Service	Day Treatment and Training, Adult					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
SFY 06 (1/1/06 - 6/30/06)						
Benchmark Rate Inflation Adjustment	4.00%					
Benchmark Rate	\$10.04					
Adopted Rate Factor	97.61%					
Adopted Rate	\$9.80					
SFY 07 (7/1/06 - 6/30/07)						
Benchmark Rate Inflation Adjustment	1.60%					
Benchmark Rate	\$10.20					
Adopted Rate Factor	100.00%					
Adopted Rate	\$10.20					
SFY 08 (7/1/07 - 6/30/08)						
Benchmark Rate Inflation Adjustment	3.20%					
Benchmark Rate	\$10.53	\$8.95				
Adopted Rate Factor	100.00%	100.00%				
Adopted Rate (with TSF)	\$10.53	\$10.53				
SFY 09 (7/1/08 - 6/30/09)						
Benchmark Rate			\$9.03	\$6.67	\$5.57	\$4.93
Adopted Rate Factor						
Adopted Rate						

Independent Rate Models
Day Treatment & Training Services
Day Treatment & Training, Child (After-School)

	Current Model	Inflated Model	Proposed Rebase			
Service	Day Treatment and Training, Children After-School Program					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Unit of Service	1 client hour	1 client hour	1 client hour	1 client hour	1 client hour	1 client hour
DDD Taxonomy Code	T04003	T04003	T04003	T04003	T04003	T04003
Hourly Wage	\$13.22	\$15.03	\$11.73	\$11.73	\$11.73	\$11.73
Annual Wage	\$27,506	\$31,269	\$24,398	\$24,398	\$24,398	\$24,398
ERE (as percent of wages)	15%	15%	18.5%	18.5%	18.5%	18.5%
Hourly Compensation (wages + ERE)	\$15.21	\$17.29	\$13.91	\$13.91	\$13.91	\$13.91
Annual Compensation (wages + ERE)	\$31,632	\$35,959	\$28,922	\$28,922	\$28,922	\$28,922
Productivity Assumptions						
- Total Hours	4.25	4.25	4.65	4.65	4.65	4.65
- Direct Care Travel Time: Charged to Transportation	0.00	0.00	0.26	0.26	0.26	0.26
- Total Hours before productivity adjustments	4.25	4.25	4.39	4.39	4.39	4.39
- Time allocated to facility preparation	0.25	0.25	0.25	0.25	0.25	0.25
- Time allocated to notes & medical records	0.00	0.00	0.00	0.00	0.00	0.00
- Training Time	0.00	0.00	0.10	0.10	0.10	0.10
- Employer Time	0.00	0.00	0.05	0.05	0.05	0.05
- Average on-site time; "Billable Hours"	4.00	4.00	3.99	3.99	3.99	3.99
- Productivity Adjustment	1.06	1.06	1.10	1.10	1.10	1.10
Hourly Compensation After Adjustment	\$16.16	\$18.37	\$15.30	\$15.30	\$15.30	\$15.30
Annual Compensation After Adjustment	\$31,632	\$35,959	\$11,592	\$11,592	\$11,592	\$11,592
Days Adjustment						
Days Billable	240	240	171	171	171	171
Days Paid	240	240	190	190	190	190
Ratio	1.00	1.00	0.90	0.90	0.90	0.90
Hourly Rate	\$16.16	\$18.37	\$17.00	\$17.00	\$17.00	\$17.00
Annual Compensation	\$31,632	\$35,959	\$11,592	\$11,592	\$11,592	\$11,592
Staffing						
- Number of Staff Members	1.71	1.71	4.57	2.91	2.13	1.68
- Number of Individuals Served	6	6	16	16	16	16
Ratio of staff to individual	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Total Staff Compensation	\$54,227	\$61,645	\$52,990	\$33,721	\$24,729	\$19,523
Total Hourly Compensation After Adjustment	\$27.70	\$31.49	\$77.71	\$49.45	\$36.27	\$28.63
Hourly Compensation per Individual	\$4.62	\$5.25	\$4.86	\$3.09	\$2.27	\$1.79
Mileage						
- Program-Related Transportation	2	2	2	2	2	2
- Amount per mile	\$0.345	\$0.392	\$0.740	\$0.740	\$0.740	\$0.740
Total Mileage Amount per Individual	\$0.69	\$0.78	\$1.48	\$1.48	\$1.48	\$1.48
Hourly Mileage Cost per Individual	\$0.17	\$0.20	\$0.37	\$0.37	\$0.37	\$0.37
Transportation Capital Cost per Individual (program)	\$1.22	\$1.39				
Hourly Transportation Capital Cost per Individual (program)	\$0.31	\$0.35				
Capital						
- Square Footage	1,000	1,000	1,600	1,600	1,600	1,600
- Square Footage per client	166.7	166.7	100.0	100.0	100.0	100.0
- Cost per Square Foot	\$10.00	\$11.37	\$19.46	\$19.46	\$19.46	\$19.46
- Number of Days in Service	240	240	171	171	171	171
Daily Capital Cost per Individual (based on 20 days)	\$6.94	\$7.89	\$9.01	\$9.01	\$9.01	\$9.01
Hourly Capital Cost per Individual	\$1.74	\$1.97	\$2.26	\$2.26	\$2.26	\$2.26

Independent Rate Models
Day Treatment & Training Services
Day Treatment & Training, Child (After-School)

	Current Model	Inflated Model	Proposed Rebase			
Service	Day Treatment and Training, Children After-School Program					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Food						
- Snack per Individual per Day	\$1.00	\$1.14	\$1.00	\$1.00	\$1.00	\$1.00
Hourly Food Cost per Individual	\$0.25	\$0.28	\$0.25	\$0.25	\$0.25	\$0.25
Supplies						
- Supplies per Facility per Day	\$6.00	\$6.82				
Supplies per Individual per Day	\$1.00	\$1.14	\$2.05	\$2.05	\$2.05	\$2.05
Hourly Supply Cost per Individual	\$0.25	\$0.28	\$0.51	\$0.51	\$0.51	\$0.51
Program Support Costs						
- Program Support Percent	0.0%	0.0%	4.0%	4.0%	4.0%	4.0%
- Non-travel/Total cost	\$7.16	\$8.14	\$8.25	\$6.49	\$5.66	\$5.18
Hourly program support cost	\$0.00	\$0.00	\$0.38	\$0.30	\$0.26	\$0.24
Administrative Overhead						
- Administrative Percent	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
- Non-Mileage cost	\$7.16	\$8.14	\$8.25	\$6.49	\$5.66	\$5.18
Hourly Administrative Cost	\$0.72	\$0.81	\$0.96	\$0.75	\$0.66	\$0.60
SFY 04 Original						
Benchmark Rate	\$8.05					
Transition Staffing Factor (TSF)	90.0%					
Transition Staffing Adjustment (Dividing by TSF)	\$8.94					
Adopted Rate Factor	93.0%					
Calculated Adopted Rate	\$8.32					
Adopted Rate - Rounded	\$8.30					
SFY 05 Original						
Benchmark Rate Inflation Adjustment	4.25%					
Benchmark Rate	\$8.39					
Adopted Rate Factor	95.75%					
Calculated Adopted Rate	\$8.04					
Adopted Rate = Same as in SFY 04	\$8.30					
SFY 04 Revised						
Subtotal	\$8.05					
Transition Staffing Factor (TSF)	90.0%					
Transition Staffing Adjustment (Dividing by TSF)	\$8.94					
Benchmark Rate	\$8.94					
Adopted Rate Factor	93.0%					
Calculated Adopted Rate	\$8.32					
Adopted Rate - Rounded	\$8.30					
SFY 05 Revised						
Benchmark Rate Inflation Adjustment	4.25%					
Benchmark Rate	\$9.32					
Adopted Rate Factor	95.75%					
Calculated Adopted Rate	\$8.93					
Adopted Rate = Same as in SFY 04	\$8.30					
Adopted as percentage of Benchmark	89.0%					
SFY 06 (7/1/05 - 12/31/05)						
Benchmark Rate Inflation Adjustment	0.00%					
Benchmark Rate	\$9.32					
Adopted Rate Factor	97.61%					
Adopted Rate	\$9.10					

Independent Rate Models
Day Treatment & Training Services
Day Treatment & Training, Child (After-School)

	Current Model	Inflated Model	Proposed Rebase			
Service	Day Treatment and Training, Children After-School Program					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
SFY 06 (1/1/06 - 6/30/06)						
Benchmark Rate Inflation Adjustment	4.00%					
Benchmark Rate	\$9.69					
Adopted Rate Factor	97.61%					
Adopted Rate	\$9.46					
SFY 07 (7/1/06 - 6/30/07)						
Benchmark Rate Inflation Adjustment	1.60%					
Benchmark Rate	\$9.85					
Adopted Rate Factor	100.00%					
Adopted Rate	\$9.85					
SFY 08 (7/1/07 - 6/30/08)						
Benchmark Rate Inflation Adjustment	3.20%					
Benchmark Rate	\$10.16	\$9.15				
Adopted Rate Factor	100.00%	100.00%				
Adopted Rate (with TSF)	\$10.16	\$10.16				
SFY 09 (7/1/08 - 6/30/09)						
Benchmark Rate			\$9.60	\$7.54	\$6.58	\$6.03
Adopted Rate Factor						
Adopted Rate						

Independent Rate Models
Day Treatment & Training Services
Day Treatment & Training, Child (Summer) (Ratio 1:3.5)

	Current Model	Inflated Model	Proposed Rebase			
Service	Day Treatment and Training, Children Summer Program					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Unit of Service	1 client hour	1 client hour	1 client hour	1 client hour	1 client hour	1 client hour
DDD Taxonomy Code	T04003	T04003	T04003	T04003	T04003	T04003
Hourly Wage	\$13.22	\$15.03	\$11.73	\$11.73	\$11.73	\$11.73
Annual Wage	\$27,506	\$31,269	\$24,398	\$24,398	\$24,398	\$24,398
ERE (as percent of wages)	15%	15%	18.5%	18.5%	18.5%	18.5%
Hourly Compensation (wages + ERE)	\$15.21	\$17.29	\$13.91	\$13.91	\$13.91	\$13.91
Annual Compensation (wages + ERE)	\$31,632	\$35,959	\$3,511	\$3,511	\$3,511	\$3,511
Productivity Assumptions						
- Total Hours	4.25	4.25	5.05	5.05	5.05	5.05
- Direct Care Travel Time: Charged to Transportation	0.00	0.00	0.66	0.66	0.66	0.66
- Total Hours before productivity adjustments	4.25	4.25	4.39	4.39	4.39	4.39
- Time allocated to facility preparation	0.25	0.25	0.25	0.25	0.25	0.25
- Time allocated to notes & medical records	0.00	0.00	0.00	0.00	0.00	0.00
- Training Time	0.00	0.00	0.10	0.10	0.10	0.10
- Employer Time	0.00	0.00	0.06	0.06	0.06	0.06
- Average on-site time; "Billable Hours"	4.00	4.00	3.98	3.98	3.98	3.98
- Productivity Adjustment	1.06	1.06	1.10	1.10	1.10	1.10
Hourly Compensation After Adjustment	\$16.16	\$18.37	\$15.34	\$15.34	\$15.34	\$15.34
Annual Compensation After Adjustment	\$31,632	\$35,959	\$3,055	\$3,055	\$3,055	\$3,055
Days Adjustment						
Days Billable	240	240	45	45	45	45
Days Paid	240	240	50	50	50	50
Ratio	1.00	1.00	0.90	0.90	0.90	0.90
Hourly Rate	\$16.16	\$18.37	\$17.04	\$17.04	\$17.04	\$17.04
Annual Compensation	\$31,632	\$35,959	\$3,055	\$3,055	\$3,055	\$3,055
Staffing						
- Number of Staff Members	1.71	1.71	4.57	2.91	2.13	1.68
- Number of Individuals Served	6	6	16	16	16	16
Ratio of staff to individual	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Total Staff Compensation	\$54,227	\$61,645	\$13,965	\$8,887	\$6,517	\$5,145
Total Hourly Compensation After Adjustment	\$27.70	\$31.49	\$77.90	\$49.57	\$36.35	\$28.70
Hourly Compensation per Individual	\$4.62	\$5.25	\$4.87	\$3.10	\$2.27	\$1.79
Mileage						
- Program-Related Transportation	2	2	2	2	2	2
- Amount per mile	\$0.345	\$0.392	\$0.740	\$0.740	\$0.740	\$0.740
Total Mileage Amount per Individual	\$0.69	\$0.78	\$1.48	\$1.48	\$1.48	\$1.48
Hourly Mileage Cost per Individual	\$0.17	\$0.20	\$0.37	\$0.37	\$0.37	\$0.37
Transportation Capital Cost per Individual (program)	\$1.22	\$1.39				
Hourly Transportation Capital Cost per Individual (program)	\$0.31	\$0.35				
Capital						
- Square Footage	1,000	1,000	1,600	1,600	1,600	1,600
- Square Footage per client	166.7	166.7	100.0	100.0	100.0	100.0
- Cost per Square Foot	\$10.00	\$11.37	\$19.46	\$19.46	\$19.46	\$19.46
- Number of Days in Service	240	240	45	45	45	45
Daily Capital Cost per Individual (based on 20 days)	\$6.94	\$7.89	\$9.01	\$9.01	\$9.01	\$9.01
Hourly Capital Cost per Individual	\$1.74	\$1.97	\$2.26	\$2.26	\$2.26	\$2.26

Independent Rate Models
Day Treatment & Training Services
Day Treatment & Training, Child (Summer) (Ratio 1:3.5)

	Current Model	Inflated Model	Proposed Rebase			
Service	Day Treatment and Training, Children Summer Program					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Food						
- Snack per Individual per Day	\$1.00	\$1.14	\$1.00	\$1.00	\$1.00	\$1.00
Hourly Food Cost per Individual	\$0.25	\$0.28	\$0.25	\$0.25	\$0.25	\$0.25
Supplies						
- Supplies per Facility per Day	\$6.00	\$6.82				
Supplies per Individual per Day	\$1.00	\$1.14	\$2.05	\$2.05	\$2.05	\$2.05
Hourly Supply Cost per Individual	\$0.25	\$0.28	\$0.51	\$0.51	\$0.51	\$0.51
Program Support Costs						
- Program Support Percent	0.0%	0.0%	4.0%	4.0%	4.0%	4.0%
- Non-travel/Total cost	\$7.16	\$8.14	\$8.27	\$6.50	\$5.67	\$5.19
Hourly program support cost	\$0.00	\$0.00	\$0.38	\$0.30	\$0.26	\$0.24
Administrative Overhead						
- Administrative Percent	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
- Non-Mileage cost	\$7.16	\$8.14	\$8.27	\$6.50	\$5.67	\$5.19
Hourly Administrative Cost	\$0.72	\$0.81	\$0.96	\$0.76	\$0.66	\$0.60
SFY 04 Original						
Benchmark Rate	\$8.05					
Transition Staffing Factor (TSF)	90.0%					
Transition Staffing Adjustment (Dividing by TSF)	\$8.94					
Adopted Rate Factor	93.0%					
Calculated Adopted Rate	\$8.32					
Adopted Rate - Rounded	\$8.30					
SFY 05 Original						
Benchmark Rate Inflation Adjustment	4.25%					
Benchmark Rate	\$8.39					
Adopted Rate Factor	95.75%					
Calculated Adopted Rate	\$8.04					
Adopted Rate = Same as in SFY 04	\$8.30					
SFY 04 Revised						
Subtotal	\$8.05					
Transition Staffing Factor (TSF)	90.0%					
Transition Staffing Adjustment (Dividing by TSF)	\$8.94					
Benchmark Rate	\$8.94					
Adopted Rate Factor	93.0%					
Calculated Adopted Rate	\$8.32					
Adopted Rate - Rounded	\$8.30					
SFY 05 Revised						
Benchmark Rate Inflation Adjustment	4.25%					
Benchmark Rate	\$9.32					
Adopted Rate Factor	95.75%					
Calculated Adopted Rate	\$8.93					
Adopted Rate = Same as in SFY 04	\$8.30					
Adopted as percentage of Benchmark	89.0%					
SFY 06 (7/1/05 - 12/31/05)						
Benchmark Rate Inflation Adjustment	0.00%					
Benchmark Rate	\$9.32					
Adopted Rate Factor	97.61%					
Adopted Rate	\$9.10					

Independent Rate Models
Day Treatment & Training Services
Day Treatment & Training, Child (Summer) (Ratio 1:3.5)

	Current Model	Inflated Model	Proposed Rebase			
Service	Day Treatment and Training, Children Summer Program					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
SFY 06 (1/1/06 - 6/30/06)						
Benchmark Rate Inflation Adjustment	4.00%					
Benchmark Rate	\$9.69					
Adopted Rate Factor	97.61%					
Adopted Rate	\$9.46					
SFY 07 (7/1/06 - 6/30/07)						
Benchmark Rate Inflation Adjustment	1.60%					
Benchmark Rate	\$9.85					
Adopted Rate Factor	100.00%					
Adopted Rate	\$9.85					
SFY 08 (7/1/07 - 6/30/08)						
Benchmark Rate Inflation Adjustment	3.20%					
Benchmark Rate	\$10.16	\$9.15				
Adopted Rate Factor	100.00%	100.00%				
Adopted Rate (with TSF)	\$10.16	\$10.16				
SFY 09 (7/1/08 - 6/30/09)						
Benchmark Rate			\$9.61	\$7.55	\$6.59	\$6.04
Adopted Rate Factor						
Adopted Rate						

Independent Rate Models
Day Treatment & Training Services
Rural Day Treatment & Training, Adult

	Current Model	Inflated Model	Proposed Rebase			
Service	Rural Day Treatment and Training, Adult					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Unit of Service	1 client hour	1 client hour	1 client hour	1 client hour	1 client hour	1 client hour
DDD Taxonomy Code	T04003	T04003	T04003	T04003	T04003	T04003
Hourly Wage	\$13.22	\$15.03	\$11.73	\$11.73	\$11.73	\$11.73
Annual Wage	\$27,506	\$31,269	\$24,398	\$24,398	\$24,398	\$24,398
ERE (as percent of wages)	30.0%	30.0%	34.5%	34.5%	34.5%	34.5%
Hourly Compensation (wages + ERE)	\$17.19	\$19.54	\$15.78	\$15.78	\$15.78	\$15.78
Annual Compensation (wages + ERE)	\$35,758	\$40,650	\$32,816	\$32,816	\$32,816	\$32,816
Productivity Assumptions						
- Total Hours	8.00	8.00	8.00	8.00	8.00	8.00
- Direct Care Travel Time: Charged to Transportation	0.80	0.80	1.17	1.17	1.17	1.17
- Total Hours before productivity adjustments	7.20	7.20	6.83	6.83	6.83	6.83
- Time allocated to facility preparation	0.20	0.20	0.50	0.50	0.50	0.50
- Time allocated to notes & medical records	0.00	0.00	0.00	0.00	0.00	0.00
- Training Time	0.00	0.00	0.15	0.15	0.15	0.15
- Employer Time	0.00	0.00	0.10	0.10	0.10	0.10
- Average on-site time; "Billable Hours"	7.00	7.00	6.08	6.08	6.08	6.08
- Productivity Adjustment	1.03	1.03	1.12	1.12	1.12	1.12
Hourly Compensation After Adjustment	\$17.68	\$20.10	\$17.72	\$17.72	\$17.72	\$17.72
Annual Compensation After Adjustment	\$32,182	\$36,585	\$26,952	\$26,952	\$26,952	\$26,952
Days Adjustment						
Days Billable	200	200	225	225	225	225
Days Paid	250	250	250	250	250	250
Ratio	0.80	0.80	0.90	0.90	0.90	0.90
Hourly Rate	\$22.10	\$25.13	\$19.69	\$19.69	\$19.69	\$19.69
Annual Compensation	\$32,182	\$37,630	\$26,952	\$26,952	\$26,952	\$26,952
Staffing						
- Number of Staff Members	1.37	1.37	1.71	1.09	0.80	0.63
- Number of Individuals Served	6	6	6	6	6	6
Ratio of staff to individual	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Total Staff Compensation	\$44,090	\$51,553	\$46,204	\$29,402	\$21,562	\$17,022
Total Hourly Compensation After Adjustment	\$30.28	\$34.42	\$33.76	\$21.48	\$15.75	\$12.44
Hourly Compensation per Individual	\$5.25	\$6.14	\$5.63	\$3.58	\$2.63	\$2.07
Mileage						
- Program-Related Transportation	4.0	4.0	5.0	5.0	5.0	5.0
- Amount per mile	\$0.345	\$0.392	\$0.682	\$0.682	\$0.682	\$0.682
Total Mileage Amount	\$1.38	\$1.57	\$3.41	\$3.41	\$3.41	\$3.41
Hourly Mileage Cost per Individual	\$0.20	\$0.22	\$0.56	\$0.56	\$0.56	\$0.56
Program Transport Cost per Individual per Day	\$5.64	\$6.41				
Hourly Transportation Cost per Individual	\$0.81	\$0.92				
Capital						
- Square Footage	1,000	1,000	750	750	750	750
- Square Footage per client	166.7	166.7	125.0	125.0	125.0	125.0
- Cost per Square Foot	\$12.00	\$13.64	\$19.46	\$19.46	\$19.46	\$19.46
- Number of Days in Service	200	200	225	225	225	225
Total Square Footage per Individual per Day	\$10.00	\$11.37	\$10.81	\$10.81	\$10.81	\$10.81
Hourly Capital Cost per Individual	\$1.43	\$1.62	\$1.78	\$1.78	\$1.78	\$1.78

Independent Rate Models
Day Treatment & Training Services
Rural Day Treatment & Training, Adult

	Current Model	Inflated Model	Proposed Rebase			
Service	Rural Day Treatment and Training, Adult					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
Supplies						
Supplies per Individual per Day	\$1.00	\$1.14	\$2.05	\$2.05	\$2.05	\$2.05
Hourly Supply Cost per Individual	\$0.14	\$0.16	\$0.34	\$0.34	\$0.34	\$0.34
Hourly Program Compliance cost						
- Compliance Percent	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%
- Non-travel cost	\$7.63	\$8.67	\$8.30	\$6.25	\$5.30	\$4.75
Hourly Program Compliance cost	\$0.15	\$0.17	\$0.00	\$0.00	\$0.00	\$0.00
Program Support Costs						
- Program Support Percent	0.0%	0.0%	4.0%	4.0%	4.0%	4.0%
- Non-travel/Total cost	\$7.63	\$8.67	\$8.30	\$6.25	\$5.30	\$4.75
Hourly program support cost	\$0.00	\$0.00	\$0.39	\$0.29	\$0.25	\$0.22
Administrative Overhead						
- Administrative Percent	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
- Non-travel cost	\$7.63	\$8.67	\$8.30	\$6.25	\$5.30	\$4.75
Hourly administrative cost	\$0.76	\$0.87	\$0.97	\$0.73	\$0.62	\$0.55
SFY 04 Original						
Benchmark Rate	\$8.74					
Transition Staffing Factor (TSF)	85.0%					
Transition Staffing Adjustment (Dividing by TSF)	\$10.28					
Adopted Rate Factor	93.0%					
Calculated Adopted Rate	\$9.56					
Adopted Rate - Rounded	\$9.60					
SFY 05 Original						
Benchmark Rate Inflation Adjustment	4.25%					
Benchmark Rate	\$9.11					
Adopted Rate Factor	95.75%					
Calculated Adopted Rate	\$8.72					
Adopted Rate = Same as in SFY 04	\$9.60					
SFY 04 Revised						
Subtotal	\$8.74					
Transition Staffing Factor (TSF)	85.0%					
Transition Staffing Adjustment (Dividing by TSF)	\$10.28					
Benchmark Rate	\$10.28					
Adopted Rate Factor	93.0%					
Calculated Adopted Rate	\$9.56					
Adopted Rate - Rounded	\$9.60					
SFY 05 Revised						
Benchmark Rate Inflation Adjustment	4.25%					
Benchmark Rate	\$10.72					
Adopted Rate Factor	95.75%					
Calculated Adopted Rate	\$10.26					
Adopted Rate = Same as in SFY 04	\$9.60					
Adopted as percentage of Benchmark	89.6%					
SFY 06 (7/1/05 - 12/31/05)						
Benchmark Rate Inflation Adjustment	0.00%					
Benchmark Rate	\$10.72					
Adopted Rate Factor	97.61%					
Adopted Rate	\$10.46					

Independent Rate Models
Day Treatment & Training Services
Rural Day Treatment & Training, Adult

	Current Model	Inflated Model	Proposed Rebase			
Service	Rural Day Treatment and Training, Adult					
Staff-to-Client Ratio	1:3.5	1:3.5	1:3.5	1:5.5	1:7.5	1:9.5
SFY 06 (1/1/06 - 6/30/06)						
Benchmark Rate Inflation Adjustment	4.00%					
Benchmark Rate	\$11.15					
Adopted Rate Factor	97.61%					
Adopted Rate	\$10.88					
SFY 07 (7/1/06 - 6/30/07)						
Benchmark Rate Inflation Adjustment	1.60%					
Benchmark Rate	\$11.33					
Adopted Rate Factor	100.00%					
Adopted Rate	\$11.33					
SFY 08 (7/1/07 - 6/30/08)						
Benchmark Rate Inflation Adjustment	3.20%					
Benchmark Rate	\$11.69	\$9.93				
Adopted Rate Factor	100.00%	100.00%				
Adopted Rate (with TSF)	\$11.69	\$11.69				
SFY 09 (7/1/08 - 6/30/09)						
Benchmark Rate			\$9.65	\$7.27	\$6.16	\$5.52
Adopted Rate Factor						
Adopted Rate						

* Values from Provider Survey reflect answers for Day Treatment & Training, Adult, questions specific to Rural areas were not asked

Independent Rate Models
Day Treatment & Training Services
Behaviorally or Medically Intense Day Treatment and Training, Adult/Child

	Current Model*	Inflated Model*	Proposed Rebase
Service	Behaviorally or Medically Intense Day Treatment and Training, Adult/Child		
Unit of Service	1 hour	1 hour	1 hour
DDD Taxonomy Code	T03827	T03827	T03827
AHCCCS Procedure Code / Unit of Service	T2017 / hour	T2017 / hour	T2017 / hour
FFY 08 AHCCCS Rate	By Report	By Report	By Report
Hourly Wage	\$10.99	\$12.50	\$11.73
Annual Wage	\$22,866	\$25,994	\$24,398
ERE (as percent of wages)	30.0%	30.0%	34.5%
Hourly Compensation (wages + ERE)	\$14.29	\$16.25	\$15.78
Annual Compensation (wages + ERE)	\$29,726	\$33,793	\$32,816
Factors Offsetting Direct Care Service Hours			
- Total Hours	8.00	8.00	8.00
- Travel Time	0.50	0.50	0.00
- Time allocated to notes/med records	0.25	0.25	0.00
- Training Time	0.00	0.00	0.15
- Time allocated to missed appointments	0.00	0.00	0.00
- Average on-site time; "Billable Hours"	7.25	7.25	7.85
- <i>Productivity Adjustment</i>	<i>1.10</i>	<i>1.10</i>	<i>1.02</i>
Hourly Compensation After Adjustment	\$15.77	\$17.93	\$16.08
Annual Compensation After Adjustment	\$29,726	\$33,793	\$32,816
Mileage			
- Number of Miles	15	15	0
- Amount per mile	\$0.345	\$0.392	\$0.445
Total Mileage Amount	\$5.18	\$5.88	\$0.00
Hourly mileage cost	\$0.71	\$0.81	\$0.00
Program Support Costs			
- Program Support Percent	0.0%	0.0%	0.0%
- Non-travel/Total cost	\$15.77	\$17.93	\$16.08
Hourly program support cost	\$0.00	\$0.00	\$0.00
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$15.77	\$17.93	\$16.08
Hourly administrative cost	\$1.58	\$1.79	\$1.79
SFY 04			
Benchmark Rate	\$18.06		
Adopted Rate Factor	93.0%		
Adopted Rate	\$16.80		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$18.83		
Adopted Rate Factor	95.75%		
Adopted Rate	\$18.03		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$18.83		
Adopted Rate Factor	97.61%		
Adopted Rate	\$18.38		

Independent Rate Models
Day Treatment & Training Services
Behaviorally or Medically Intense Day Treatment and Training, Adult/Child

	Current Model*	Inflated Model*	Proposed Rebase
Service	Behaviorally or Medically Intense Day Treatment and Training, Adult/Child		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$19.58		
Adopted Rate Factor	97.61%		
Adopted Rate	\$19.11		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$19.89		
Adopted Rate Factor	100.00%		
Adopted Rate	\$19.89		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$20.53	\$20.53	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$20.53	\$20.53	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$17.86
Adopted Rate Factor			
Adopted Rate			

* Current/Inflated models are equivalent to Habilitaiton, Support

Independent Rate Model
Developmental Home Services
Habilitation, Vendor Supported Developmental Home, Adult

	Current Model	Inflated Model	Proposed Rebase
Service	Habilitation, Vendor Supported Developmental Home, Adult		
Unit of Service	1 day	1 day	1 day
Daily Rate Based on	1 individual	1 individual	1 individual
Number of Years Under Supervision, on Average	5	5.0	5.0
Number of Days Under Supervision, per Year	365	365	365
Initial Home Licensure			
- ACYF rate	\$750.00	\$852.60	\$1,000
- Inflation Factor	1.3228	1.3228	1.00
- DDD Premium	10.0%	10.0%	10.0%
Initial Home Licensure	\$1,100.00	\$1,250.00	\$1,100.00
Annual Cost (spread over 5 years) = \$1,100 in first year / 5 years	\$220.00	\$250.00	\$220.00
License Renewal			
- Percentage of Initial Home Licensure Payment	55.0%	55.0%	
License Renewal	\$605.00	\$687.50	\$500.00
Annual Cost (spread over 5 years) = (\$605 * 4 years) / 5 years	\$484.00	\$550.00	
Total Fixed Cost of Licensure	\$704.00	\$800.00	\$720.00
Training			
- Salary			
- Training Staff	\$16.04	\$18.23	\$17.70
- Annual Wage	\$33,357	\$37,920	\$36,816
- ERE (as percent of wages)	30.0%	30.0%	30.0%
Hourly Compensation (wages + ERE)	\$20.85	\$23.70	\$23.01
Annual Compensation (wages + ERE)	\$43,364	\$49,296	\$47,861
- Initial Training			\$1,000.00
- Hours of Training (1st year)	20	20.0	20.0
- Cost of Training	\$420.00	\$480.00	\$1,470.00
Annual Cost (spread over 5 years) = \$420 in first year / 5 years	\$84.00	\$96.00	\$294.00
- Ongoing Training			
- Hours of Training (Included in renewal)	10	10.0	
- Cost of Training	\$210.00	\$240.00	
Annual Cost (spread over 5 years) = (\$210 * 4 years) / 5 years	\$168.00	\$192.00	\$0.00
Total Fixed Cost of Training	\$252.00	\$288.00	\$294.00
Respite/Relief			
- Respite Hours Allowance	720	720.0	720.0
- Respite Hourly Agency Provider Rate (RSP), less Admin. Overhead	\$12.63	\$14.36	\$15.86
Annual Cost of Respite/Relief	\$9,100.00	\$10,340.00	\$11,420.00
Habilitation			
- Habilitation Hours Allowance	50	50.0	35.0
- Habilitation Hourly Agency Provider Rate (HAH), less Admin. Overhead	\$16.48	\$18.74	\$19.27
Annual Cost of Habilitation	\$830.00	\$940.00	\$680.00
Attendant Care			
- Attendant Care Hours Allowance	50	50.0	35.0
- Attendant Care Hourly Agency Provider Rate (ATC), less Admin. Overhead	\$12.88	\$14.65	\$15.86
Annual Cost of Attendant Care	\$650.00	\$740.00	\$560.00
Administration and Monitoring Staff			
- Hourly Wage (inflated to December 2002)	\$13.97	\$15.88	\$16.52
- ERE (as percent of wages)	30.0%	30.0%	34.5%
- Number of Visits to Family, per Year	26.0	26.0	20.6
- Duration of Each Visit, in Hours	1.0	1.0	1.3

Independent Rate Model
Developmental Home Services
Habilitation, Vendor Supported Developmental Home, Adult

	Current Model	Inflated Model	Proposed Rebase
Service	Habilitation, Vendor Supported Developmental Home, Adult		
Annual Cost of Administration and Monitoring Staff	\$472.24	\$536.84	\$595.04
Mileage			
- Number of Miles, per Month	100	100.0	60.8
- Number of Miles, per Year	1,200	1,200	729
- Amount per Mile	\$0.345	\$0.392	\$0.445
Annual Mileage Cost	\$414.00	\$470.63	\$324.51
Program Support Cost			
- Program Support Percent	0.0%	0.0%	4.00%
- Non-travel/Total cost	\$12,008	\$13,651	\$14,594
Total Program Support Cost	\$0.00	\$0.00	\$678.77
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.00%
- Non-travel cost	\$12,008	\$13,651	\$14,594
Total Administrative Cost	\$1,200.82	\$1,365.09	\$1,696.92
Total Cost per Family per Year	\$13,623.06	\$15,486.65	\$16,969.24
Payment for Agency Services			
Total Cost per Family per Day	\$37.32	\$42.43	\$46.49
Payment to Family			
- Room and Board	\$11.90	\$13.53	\$13.75
- Other	\$57.53	\$65.40	\$54.03
Total Payment to Family, per Day	\$69.43	\$78.93	\$67.78
Total Payment to Agency, per Day	\$106.75	\$121.36	\$114.27
Payment to Agency without Room and Board (paid separately)	\$94.85	\$107.83	\$100.52
SFY 04			
Benchmark Rate	\$94.85		
Adopted Rate Factor	93.0%		
Calculated Adopted Rate	\$88.21		
Adopted Rate	\$109.75		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$98.88		
Adopted Rate Factor	95.75%		
Calculated Adopted Rate	\$94.68		
Adopted Rate	\$109.75		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$98.88		
Adopted Rate Factor	97.61%		
Calculated Adopted Rate	\$96.52		
Adopted Rate	\$109.75		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$102.84		
Adopted Rate Factor	97.61%		
Calculated Adopted Rate	\$100.38		
Adopted Rate	\$109.75		

Independent Rate Model
Developmental Home Services
Habilitation, Vendor Supported Developmental Home, Adult

	Current Model	Inflated Model	Proposed Rebase
Service	Habilitation, Vendor Supported Developmental Home, Adult		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$104.49		
Adopted Rate Factor	100.00%		
Calculated Adopted Rate	\$104.49		
Adopted Rate	\$109.75		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$107.83	\$107.83	
Adopted Rate Factor	100.00%	100.00%	
Calculated Adopted Rate	\$107.83	\$107.83	
Adopted Rate	\$109.75	\$109.75	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$100.52
Adopted Rate Factor			
Calculated Adopted Rate			
Adopted Rate			

Independent Rate Model
Developmental Home Services
Habilitation, Vendor Supported Developmental Home, Child

	Current Model	Inflated Model	Proposed Rebase
Service	Habilitation, Vendor Supported Developmental Home, Child		
Unit of Service	1 day	1 day	1 day
Daily Rate Based on	1 individual	1 individual	1 individual
Number of Years Under Supervision, on Average	5	5.0	5.00
Number of Days Under Supervision, per Year	365	365	365
Initial Home Licensure			
- ACYF rate	\$750.00	\$869.65	\$1,000.00
- Inflation Factor	1.3228	1.3228	1.0000
- DDD Premium	10.0%	10.0%	10.0%
Initial Home Licensure	\$1,100.00	\$1,270.00	\$1,100.00
Annual Cost (spread over 5 years) = \$1,100 in first year / 5 years	\$220.00	\$254.00	\$220.00
License Renewal			
- Percentage of Initial Home Licensure Payment	55.0%	55.0%	
License Renewal	\$605.00	\$698.50	\$500.00
Annual Cost (spread over 5 years) = (\$605 * 4 years) / 5 years	\$484.00	\$558.80	
Total Fixed Cost of Licensure	\$704.00	\$812.80	\$720.00
Training			
- Salary			
- Training Staff	\$16.04	\$18.60	\$17.70
- Annual Wage	\$33,357	\$38,678	\$36,816
- ERE (as percent of wages)	30.0%	30.0%	30.0%
Hourly Compensation (wages + ERE)	\$20.85	\$24.17	\$23.01
Annual Compensation (wages + ERE)	\$43,364	\$50,282	\$47,861
- Initial Training			\$1,000.00
- Hours of Training (1st year)	20	20.0	20.0
- Cost of Training	\$420.00	\$490.00	\$1,470.00
Annual Cost (spread over 5 years) = \$420 in first year / 5 years	\$84.00	\$98.00	\$294.00
- Ongoing Training			
- Hours of Training (included in renewal)	10	10.0	
- Cost of Training	\$210.00	\$250.00	
Annual Cost (spread over 5 years) = (\$210 * 4 years) / 5 years	\$168.00	\$200.00	\$0.00
Total Fixed Cost of Training	\$252.00	\$298.00	\$294.00
Respite/Relief			
- Respite Hours Allowance	720	720.0	720.0
- Respite Hourly Agency Provider Rate (RSP), less Admin. Overhead	\$12.63	\$14.64	\$15.86
Annual Cost of Respite/Relief	\$9,100.00	\$10,550.00	\$11,420.00
Habilitation			
- Habilitation Hours Allowance	50	50.0	35.0
- Habilitation Hourly Agency Provider Rate (HAH), less Admin. Overhead	\$16.48	\$19.11	\$19.27
Annual Cost of Habilitation	\$830.00	\$960.00	\$680.00
Attendant Care			
- Attendant Care Hours Allowance	50	50.0	35.0
- Attendant Care Hourly Agency Provider Rate (ATC), less Admin. Overhead	\$12.88	\$14.94	\$15.86
Annual Cost of Attendant Care	\$650.00	\$750.00	\$560.00

Independent Rate Model
Developmental Home Services
Habilitation, Vendor Supported Developmental Home, Child

	Current Model	Inflated Model	Proposed Rebase
Service	Habilitation, Vendor Supported Developmental Home, Child		
Unit of Service	1 day	1 day	1 day
Daily Rate Based on	1 individual	1 individual	1 individual
Administration and Monitoring Staff			
- Hourly Wage (inflated to December 2002)	\$13.97	\$16.20	\$16.52
- ERE (as percent of wages)	30.0%	30.0%	34.5%
- Number of Visits to Family, per Year	26	26.0	20.0
- Duration of Each Visit, in Hours	1	1.0	1.4
Annual Cost of Administration and Monitoring Staff	\$472.24	\$547.58	\$622.14
Mileage			
- Number of Miles, per Month	100	100.0	66.7
- Number of Miles, per Year	1,200	1,200	800
- Amount per Mile	\$0.345	\$0.400	\$0.445
Annual Mileage Cost	\$414.00	\$480.05	\$356.00
Indirect Cost			
- Indirect Percent	0.0%	0.0%	4.00%
- Non-travel cost	\$12,008	\$13,924	\$14,652
Total Indirect Cost	\$0.00	\$0.00	\$681.50
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.00%
- Non-travel cost	\$12,008	\$13,924	\$14,652
Total Administrative Cost	\$1,200.82	\$1,392.39	\$1,703.74
Total Cost per Family per Year	\$13,623.06	\$15,796.39	\$17,037.38
Payment for Agency Services			
Total Cost per Family per Day	\$37.32	\$43.28	\$46.68
Payment to Family			
- Room and Board	\$11.90	\$13.80	\$12.77
- Other	\$57.53	\$66.71	\$54.01
Total Payment to Family, per Day	\$69.43	\$80.51	\$66.78
Total Payment to Agency, per Day	\$106.75	\$123.78	\$113.45
Payment to Agency without Room and Board (paid separately)	\$94.85	\$109.99	\$100.68
SFY 04			
Benchmark Rate	\$94.85		
Adopted Rate Factor	93.0%		
Calculated Adopted Rate	\$88.21		
Adopted Rate	\$109.75		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Allowance for Provider Training (per Amendment 9 of RFQVA #704011)	2.00%		
Benchmark Rate	\$100.86		
Adopted Rate Factor	95.75%		
Calculated Adopted Rate	\$96.58		
Adopted Rate	\$111.95		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$100.86		
Adopted Rate Factor	97.61%		
Calculated Adopted Rate	\$98.45		
Adopted Rate	\$111.95		

Independent Rate Model
Developmental Home Services
Habilitation, Vendor Supported Developmental Home, Child

	Current Model	Inflated Model	Proposed Rebase
Service	Habilitation, Vendor Supported Developmental Home, Child		
Unit of Service	1 day	1 day	1 day
Daily Rate Based on	1 individual	1 individual	1 individual
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$104.89		
Adopted Rate Factor	97.61%		
Calculated Adopted Rate	\$102.38		
Adopted Rate	\$111.95		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$106.57		
Adopted Rate Factor	100.00%		
Calculated Adopted Rate	\$106.57		
Adopted Rate	\$111.95		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$109.98	\$109.99	
Adopted Rate Factor	100.00%	100.00%	
Calculated Adopted Rate	\$109.98	\$109.99	
Adopted Rate	\$111.95	\$111.95	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$100.68
Adopted Rate Factor			
Calculated Adopted Rate			
Adopted Rate			

Independent Rate Model
Developmental Home Services
Room and Board, Vendor Supported Developmental Home (Adult)

	Current Model	Inflated Model	Proposed Rebase
Service	Room and Board, Vendor Supported Developmental Home (Adult)		
Unit of Service	1 day	1 day	1 day
DDD Taxonomy Code	T03827	T03827	T03827
Room - Capital			
- Square Footage	170	170	145
- Cost per Square Foot	\$10.00	\$11.37	\$13.50
- Number of Days in Service	365	365	365
Total Square Footage per Day	\$4.66	\$5.29	\$5.36
Board - Meals			
- Cost per Day	\$7.24	\$8.23	\$8.39
Total Meals per Day	\$7.24	\$8.23	\$8.39
SFY 04			
Benchmark Rate	\$11.90		
Adopted Rate Factor	93.0%		
Calculated Adopted Rate	\$11.07		
Adopted Rate	\$11.60		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$12.41		
Adopted Rate Factor	95.75%		
Adopted Rate	\$11.88		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$12.41		
Adopted Rate Factor	97.61%		
Adopted Rate	\$12.11		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$12.90		
Adopted Rate Factor	97.61%		
Adopted Rate	\$12.59		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$13.11		
Adopted Rate Factor	100.00%		
Adopted Rate	\$13.11		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$13.53	\$13.52	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$13.53	\$13.52	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate Inflation Adjustment			
Benchmark Rate			\$13.75
Adopted Rate Factor			
Adopted Rate			

Independent Rate Model
Developmental Home Services
Room and Board, Vendor Supported Developmental Home (Child)

	Current Model	Inflated Model	Proposed Rebase
Service	Room and Board, Vendor Supported Developmental Home (Child)		
Unit of Service	1 day	1 day	1 day
DDD Taxonomy Code	T03827	T03827	T03827
Room - Capital			
- Square Footage	195	195	140
- Cost per Square Foot	\$10.00	\$11.37	\$13.50
- Number of Days in Service	365	365	365
Total Square Footage per Day	\$5.34	\$6.07	\$5.18
Board - Meals			
- Cost per Day	\$6.55	\$7.45	\$7.59
Total Meals per Day	\$6.55	\$7.45	\$7.59
SFY 04			
Benchmark Rate	\$11.89		
Adopted Rate Factor	93.0%		
Calculated Adopted Rate	\$11.06		
Adopted Rate = Floor Rate for SFY 03 Provider	\$11.60		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$12.40		
Adopted Rate Factor	95.75%		
Calculated Adopted Rate	\$11.87		
Adopted Rate = Same as for Adults	\$11.88		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$12.40		
Adopted Rate Factor	97.61%		
Calculated Adopted Rate	\$12.10		
Adopted Rate = Same as for Adults	\$12.11		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$12.90		
Adopted Rate Factor	97.61%		
Calculated Adopted Rate	\$12.59		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$13.11		
Adopted Rate Factor	100.00%		
Adopted Rate	\$13.11		
SFY 08 (7/1/07 - 6/30/08) vs SFY09 Proposed			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$13.53	\$13.52	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$13.53	\$13.52	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate Inflation Adjustment			
Benchmark Rate			\$12.77
Adopted Rate Factor			
Adopted Rate			

Independent Rate Model
Group Home Services
Habilitation, Group Home

	Current Model	Inflated Model	Proposed Rebase
Service	Habilitation, Group Home		
Unit of Service	1 hour	1 hour	1 hour
DDD Taxonomy Code	T03827	T03827	T03827
Hourly Wage	\$10.99	\$12.50	\$12.26
Annual Wage	\$22,866	\$25,994	\$25,501
ERE (as percent of wages)	30%	30.0%	34.5%
Hourly Compensation (wages + ERE)	\$14.29	\$16.25	\$16.49
Annual Compensation (wages + ERE)	\$29,726	\$33,793	\$34,299
Productivity Assumptions			
- Total Hours	8.00	8.00	8.00
- Travel Time	0.00	0.00	0.00
- Time allocated to notes/med records	0.00	0.00	0.00
- Down Time	0.00	0.00	0.00
- Training Time	0.00	0.00	0.15
- Average on-site time; "Billable Hours"	8.00	8.00	7.85
- Productivity Adjustment	1.00	1.00	1.02
Hourly Compensation After Adjustment	\$14.29	\$16.25	\$16.80
Annual Compensation After Adjustment	\$29,726	\$33,793	\$34,299
Transportation			
- Vehicle allocation	\$0.6556	\$0.7453	
- Number of Miles per Staff Hour	1.14	1.14	0.95
- Amount per mile/Enhanced Amount per Mile	\$0.345	\$0.392	\$0.720
Total Mileage Amount	\$0.39	\$0.45	\$0.68
Hourly Transportation cost	\$1.05	\$1.19	\$0.68
Hourly Program Compliance cost			
- Compliance Percent	2.0%	2.0%	0.0%
- Non-travel/Total cost	\$14.29	\$16.25	\$17.49
Hourly Program Compliance cost	\$0.29	\$0.32	\$0.00
Program Support Cost			
- Program Support Percent	0.0%	0.0%	4.0%
- Non-travel/Total cost	\$14.29	\$16.25	\$17.49
Total Program Support Cost	\$0.00	\$0.00	\$0.81
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$14.29	\$16.25	\$17.49
Hourly Administrative Overhead cost	\$1.43	\$1.62	\$2.03
SFY 04			
Benchmark Rate	\$17.06		
Adopted Rate Factor	93.0%		
Adopted Rate	\$15.87		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$17.79		
Adopted Rate Factor	95.75%		
Adopted Rate	\$17.03		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$17.79		
Adopted Rate Factor	97.61%		
Adopted Rate	\$17.36		

Independent Rate Model
Group Home Services
Habilitation, Group Home

	Current Model	Inflated Model	Proposed Rebase
Service	Habilitation, Group Home		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$18.50		
Adopted Rate Factor	97.61%		
Adopted Rate	\$18.05		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$18.79		
Adopted Rate Factor	100.00%		
Adopted Rate	\$18.79		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$19.39	\$19.39	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$19.39	\$19.39	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$20.34
Adopted Rate Factor			
Adopted Rate			

Independent Rate Model
Group Home Services
All Group Home, Room & Board
(Phoenix Metro Area)

Phoenix						
<i>Current Factors, Inflated</i>						
	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Occupancy	1	2	3	4	5	6
Number of Days per Month	30.4	30.4	30.4	30.4	30.4	30.4
Monthly Factors						
Rent	\$728.69	\$916.26	\$1,274.35	\$1,500.57	\$1,725.66	\$1,984.51
Utilities	\$164.76	\$183.89	\$202.26	\$219.50	\$236.08	\$253.80
Telephone	\$22.74	\$28.42	\$34.10	\$39.79	\$45.47	\$51.16
Maintenance	\$51.16	\$56.84	\$62.52	\$68.21	\$73.89	\$79.58
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$248.22	\$496.44	\$744.66	\$992.88	\$1,241.10	\$1,489.32
Daily Factors						
Rent	\$23.97	\$30.14	\$41.92	\$49.36	\$56.77	\$65.28
Utilities	\$5.42	\$6.05	\$6.65	\$7.22	\$7.77	\$8.35
Telephone	\$0.75	\$0.93	\$1.12	\$1.31	\$1.50	\$1.68
Maintenance	\$1.68	\$1.87	\$2.06	\$2.24	\$2.43	\$2.62
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$8.17	\$16.33	\$24.50	\$32.66	\$40.83	\$48.99
Per Occupant, Per Day Factors						
Rent	\$23.97	\$15.07	\$13.97	\$12.34	\$11.35	\$10.88
Utilities	\$5.42	\$3.02	\$2.22	\$1.81	\$1.55	\$1.39
Telephone	\$0.75	\$0.47	\$0.37	\$0.33	\$0.30	\$0.28
Maintenance	\$1.68	\$0.93	\$0.69	\$0.56	\$0.49	\$0.44
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17
Rate Per person	\$39.99	\$27.66	\$25.42	\$23.20	\$21.86	\$21.15
Contracted Capacity	1	2	3	4	5	6
Capacity Rate	\$39.99	\$55.32	\$76.25	\$92.79	\$109.28	\$126.92
Unoccupied Capacity Discount						
Telephone	\$0.75	\$0.47	\$0.37	\$0.33	\$0.30	\$0.28
Food	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17
Total Discount per Occupant	\$8.91	\$8.63	\$8.54	\$8.49	\$8.46	\$8.45

Benchmark Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$39.99	\$46.69	\$59.17	\$67.32	\$75.43	\$84.69
2		\$27.66	\$33.85	\$37.90	\$41.95	\$46.57
3			\$25.42	\$28.10	\$30.78	\$33.86
4				\$23.20	\$25.20	\$27.51
5					\$21.86	\$23.69
6						\$21.15

Adopted Rate Factor	100.0%
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Adopted Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$39.99	\$46.69	\$59.17	\$67.32	\$75.43	\$84.69
2		\$27.66	\$33.85	\$37.90	\$41.95	\$46.57
3			\$25.42	\$28.10	\$30.78	\$33.86
4				\$23.20	\$25.20	\$27.51
5					\$21.86	\$23.69
6						\$21.15

Independent Rate Model
Group Home Services
All Group Home, Room & Board
(Phoenix Metro Area)

Phoenix						
<i>Proposed Rebase</i>						
	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Occupancy	1	2	3	4	5	6
Number of Days per Month	30.4	30.4	30.4	30.4	30.4	30.4
Monthly Factors						
Rent	\$736.66	\$888.99	\$1,294.86	\$1,545.13	\$1,814.98	\$2,084.84
Utilities	\$187.87	\$212.08	\$237.79	\$259.90	\$282.09	\$305.42
Telephone	\$35.74	\$40.85	\$45.95	\$51.06	\$56.17	\$61.27
Maintenance	\$50.00	\$55.00	\$60.00	\$65.00	\$70.00	\$75.00
Household Consumables	\$50.00	\$55.00	\$60.00	\$65.00	\$70.00	\$75.00
Food	\$261.25	\$522.50	\$783.75	\$1,045.00	\$1,306.25	\$1,567.50
Daily Factors						
Rent	\$24.23	\$29.24	\$42.59	\$50.83	\$59.70	\$68.58
Utilities	\$6.18	\$6.98	\$7.82	\$8.55	\$9.28	\$10.05
Telephone	\$1.18	\$1.34	\$1.51	\$1.68	\$1.85	\$2.02
Maintenance	\$1.64	\$1.81	\$1.97	\$2.14	\$2.30	\$2.47
Household Consumables	\$1.64	\$1.81	\$1.97	\$2.14	\$2.30	\$2.47
Food	\$8.59	\$17.19	\$25.78	\$34.38	\$42.97	\$51.56
Per Occupant, Per Day Factors						
Rent	\$24.23	\$14.62	\$14.20	\$12.71	\$11.94	\$11.43
Utilities	\$6.18	\$3.49	\$2.61	\$2.14	\$1.86	\$1.67
Telephone	\$1.18	\$0.67	\$0.50	\$0.42	\$0.37	\$0.34
Maintenance	\$1.64	\$0.90	\$0.66	\$0.53	\$0.46	\$0.41
Household Consumables	\$1.64	\$0.90	\$0.66	\$0.53	\$0.46	\$0.41
Food	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59
Rate Per person	\$43.47	\$29.18	\$27.22	\$24.93	\$23.68	\$22.86
Contracted Capacity	1	2	3	4	5	6
Capacity Rate	\$43.47	\$58.37	\$81.66	\$99.71	\$118.40	\$137.14
Unoccupied Capacity Discount						
Telephone	\$1.18	\$0.67	\$0.50	\$0.42	\$0.37	\$0.34
Food	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59
Total Discount per Occupant	\$9.77	\$9.27	\$9.10	\$9.01	\$8.96	\$8.93

Benchmark Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$43.47	\$49.10	\$63.46	\$72.67	\$82.55	\$92.49
2		\$29.18	\$36.28	\$40.84	\$45.76	\$50.71
3			\$27.22	\$30.23	\$33.49	\$36.78
4				\$24.93	\$27.36	\$29.82
5					\$23.68	\$25.64
6						\$22.86

Adopted Rate Factor

Adopted Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1						
2						
3						
4						
5						
6						

Independent Rate Model
Group Home Services
All Group Home, Room & Board
(Tucson Metro Area)

Tucson						
<i>Current Factors, Inflated</i>						
	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Occupancy	1	2	3	4	5	6
Number of Days per Month	30.4	30.4	30.4	30.4	30.4	30.4
Monthly Factors						
Rent	\$583.18	\$776.43	\$1,078.82	\$1,272.08	\$1,462.89	\$1,682.32
Utilities	\$164.76	\$183.89	\$202.26	\$219.50	\$236.08	\$253.80
Telephone	\$22.74	\$28.42	\$34.10	\$39.79	\$45.47	\$51.16
Maintenance	\$51.16	\$56.84	\$62.52	\$68.21	\$73.89	\$79.58
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$248.22	\$496.44	\$744.66	\$992.88	\$1,241.10	\$1,489.32
Daily Factors						
Rent	\$19.18	\$25.54	\$35.49	\$41.84	\$48.12	\$55.34
Utilities	\$5.42	\$6.05	\$6.65	\$7.22	\$7.77	\$8.35
Telephone	\$0.75	\$0.93	\$1.12	\$1.31	\$1.50	\$1.68
Maintenance	\$1.68	\$1.87	\$2.06	\$2.24	\$2.43	\$2.62
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$8.17	\$16.33	\$24.50	\$32.66	\$40.83	\$48.99
Per Occupant, Per Day Factors						
Rent	\$19.18	\$12.77	\$11.83	\$10.46	\$9.62	\$9.22
Utilities	\$5.42	\$3.02	\$2.22	\$1.81	\$1.55	\$1.39
Telephone	\$0.75	\$0.47	\$0.37	\$0.33	\$0.30	\$0.28
Maintenance	\$1.68	\$0.93	\$0.69	\$0.56	\$0.49	\$0.44
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17
Rate Per person	\$35.20	\$25.36	\$23.27	\$21.32	\$20.13	\$19.50
Contracted Capacity	1	2	3	4	5	6
Capacity Rate	\$35.20	\$50.72	\$69.81	\$85.28	\$100.64	\$116.98
Unoccupied Capacity Discount						
Telephone	\$0.75	\$0.47	\$0.37	\$0.33	\$0.30	\$0.28
Food	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17
Total Discount per Occupant	\$8.91	\$8.63	\$8.54	\$8.49	\$8.46	\$8.45

Benchmark Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$35.20	\$42.09	\$52.74	\$59.80	\$66.78	\$74.75
2		\$25.36	\$30.64	\$34.15	\$37.62	\$41.60
3			\$23.27	\$25.60	\$27.90	\$30.55
4				\$21.32	\$23.04	\$25.02
5					\$20.13	\$21.71
6						\$19.50

Adopted Rate Factor	100.0%
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Adopted Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$35.20	\$42.09	\$52.74	\$59.80	\$66.78	\$74.75
2		\$25.36	\$30.64	\$34.15	\$37.62	\$41.60
3			\$23.27	\$25.60	\$27.90	\$30.55
4				\$21.32	\$23.04	\$25.02
5					\$20.13	\$21.71
6						\$19.50

Independent Rate Model
Group Home Services
All Group Home, Room & Board
(Tucson Metro Area)

Tucson						
<i>Proposed Rebase</i>						
	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Occupancy	1	2	3	4	5	6
Number of Days per Month	30.4	30.4	30.4	30.4	30.4	30.4
Monthly Factors						
Rent	\$570.17	\$732.30	\$1,159.83	\$1,225.65	\$1,425.55	\$1,625.44
Utilities	\$187.87	\$212.08	\$237.79	\$259.90	\$282.09	\$305.42
Telephone	\$35.74	\$40.85	\$45.95	\$51.06	\$56.17	\$61.27
Maintenance	\$50.00	\$55.00	\$60.00	\$65.00	\$70.00	\$75.00
Household Consumables	\$50.00	\$55.00	\$60.00	\$65.00	\$70.00	\$75.00
Food	\$261.25	\$522.50	\$783.75	\$1,045.00	\$1,306.25	\$1,567.50
Daily Factors						
Rent	\$18.76	\$24.09	\$38.15	\$40.32	\$46.89	\$53.47
Utilities	\$6.18	\$6.98	\$7.82	\$8.55	\$9.28	\$10.05
Telephone	\$1.18	\$1.34	\$1.51	\$1.68	\$1.85	\$2.02
Maintenance	\$1.64	\$1.81	\$1.97	\$2.14	\$2.30	\$2.47
Household Consumables	\$1.64	\$1.81	\$1.97	\$2.14	\$2.30	\$2.47
Food	\$8.59	\$17.19	\$25.78	\$34.38	\$42.97	\$51.56
Per Occupant, Per Day Factors						
Rent	\$18.76	\$12.04	\$12.72	\$10.08	\$9.38	\$8.91
Utilities	\$6.18	\$3.49	\$2.61	\$2.14	\$1.86	\$1.67
Telephone	\$1.18	\$0.67	\$0.50	\$0.42	\$0.37	\$0.34
Maintenance	\$1.64	\$0.90	\$0.66	\$0.53	\$0.46	\$0.41
Household Consumables	\$1.64	\$0.90	\$0.66	\$0.53	\$0.46	\$0.41
Food	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59
Rate Per person	\$37.99	\$26.61	\$25.74	\$22.30	\$21.12	\$20.34
Contracted Capacity	1	2	3	4	5	6
Capacity Rate	\$37.99	\$53.21	\$77.21	\$89.20	\$105.59	\$122.03
Unoccupied Capacity Discount						
Telephone	\$1.18	\$0.67	\$0.50	\$0.42	\$0.37	\$0.34
Food	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59
Total Discount per Occupant	\$9.77	\$9.27	\$9.10	\$9.01	\$8.96	\$8.93

Benchmark Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$37.99	\$43.95	\$59.02	\$62.16	\$69.74	\$77.38
2		\$26.61	\$34.06	\$35.59	\$39.35	\$43.15
3			\$25.74	\$26.73	\$29.22	\$31.75
4				\$22.30	\$24.16	\$26.04
5					\$21.12	\$22.62
6						\$20.34

Adopted Rate Factor

Adopted Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1						
2						
3						
4						
5						
6						

Independent Rate Model
Group Home Services
All Group Home, Room & Board
(Flagstaff Metro Area)

Flagstaff						
<i>Current Factors, Inflated</i>						
	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Occupancy	1	2	3	4	5	6
Number of Days per Month	30.4	30.4	30.4	30.4	30.4	30.4
Monthly Factors						
Rent	\$750.29	\$974.23	\$1,306.18	\$1,568.78	\$1,804.10	\$2,074.71
Utilities	\$164.76	\$183.89	\$202.26	\$219.50	\$236.08	\$253.80
Telephone	\$22.74	\$28.42	\$34.10	\$39.79	\$45.47	\$51.16
Maintenance	\$51.16	\$56.84	\$62.52	\$68.21	\$73.89	\$79.58
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$248.22	\$496.44	\$744.66	\$992.88	\$1,241.10	\$1,489.32
Daily Factors						
Rent	\$24.68	\$32.05	\$42.97	\$51.60	\$59.35	\$68.25
Utilities	\$5.42	\$6.05	\$6.65	\$7.22	\$7.77	\$8.35
Telephone	\$0.75	\$0.93	\$1.12	\$1.31	\$1.50	\$1.68
Maintenance	\$1.68	\$1.87	\$2.06	\$2.24	\$2.43	\$2.62
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$8.17	\$16.33	\$24.50	\$32.66	\$40.83	\$48.99
Per Occupant, Per Day Factors						
Rent	\$24.68	\$16.02	\$14.32	\$12.90	\$11.87	\$11.37
Utilities	\$5.42	\$3.02	\$2.22	\$1.81	\$1.55	\$1.39
Telephone	\$0.75	\$0.47	\$0.37	\$0.33	\$0.30	\$0.28
Maintenance	\$1.68	\$0.93	\$0.69	\$0.56	\$0.49	\$0.44
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17
Rate Per person	\$40.70	\$28.62	\$25.76	\$23.76	\$22.37	\$21.65
Contracted Capacity	1	2	3	4	5	6
Capacity Rate	\$40.70	\$57.23	\$77.29	\$95.04	\$111.86	\$129.89
Unoccupied Capacity Discount						
Telephone	\$0.75	\$0.47	\$0.37	\$0.33	\$0.30	\$0.28
Food	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17
Total Discount per Occupant	\$8.91	\$8.63	\$8.54	\$8.49	\$8.46	\$8.45

Benchmark Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$40.70	\$48.60	\$60.22	\$69.56	\$78.01	\$87.66
2		\$28.62	\$34.38	\$39.03	\$43.24	\$48.05
3			\$25.76	\$28.85	\$31.64	\$34.85
4				\$23.76	\$25.85	\$28.25
5					\$22.37	\$24.29
6						\$21.65

Adopted Rate Factor	100.0%
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Adopted Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$40.70	\$48.60	\$60.22	\$69.56	\$78.01	\$87.66
2		\$28.62	\$34.38	\$39.03	\$43.24	\$48.05
3			\$25.76	\$28.85	\$31.64	\$34.85
4				\$23.76	\$25.85	\$28.25
5					\$22.37	\$24.29
6						\$21.65

Independent Rate Model
Group Home Services
All Group Home, Room & Board
(Flagstaff Metro Area)

Flagstaff						
<i>Proposed Rebase</i>						
	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Occupancy	1	2	3	4	5	6
Number of Days per Month	30.4	30.4	30.4	30.4	30.4	30.4
Monthly Factors						
Rent	\$845.47	\$955.37	\$1,228.49	\$1,549.48	\$1,784.52	\$2,019.55
Utilities	\$187.87	\$212.08	\$237.79	\$259.90	\$282.09	\$305.42
Telephone	\$35.74	\$40.85	\$45.95	\$51.06	\$56.17	\$61.27
Maintenance	\$50.00	\$55.00	\$60.00	\$65.00	\$70.00	\$75.00
Household Consumables	\$50.00	\$55.00	\$60.00	\$65.00	\$70.00	\$75.00
Food	\$261.25	\$522.50	\$783.75	\$1,045.00	\$1,306.25	\$1,567.50
Daily Factors						
Rent	\$27.81	\$31.43	\$40.41	\$50.97	\$58.70	\$66.43
Utilities	\$6.18	\$6.98	\$7.82	\$8.55	\$9.28	\$10.05
Telephone	\$1.18	\$1.34	\$1.51	\$1.68	\$1.85	\$2.02
Maintenance	\$1.64	\$1.81	\$1.97	\$2.14	\$2.30	\$2.47
Household Consumables	\$1.64	\$1.81	\$1.97	\$2.14	\$2.30	\$2.47
Food	\$8.59	\$17.19	\$25.78	\$34.38	\$42.97	\$51.56
Per Occupant, Per Day Factors						
Rent	\$27.81	\$15.71	\$13.47	\$12.74	\$11.74	\$11.07
Utilities	\$6.18	\$3.49	\$2.61	\$2.14	\$1.86	\$1.67
Telephone	\$1.18	\$0.67	\$0.50	\$0.42	\$0.37	\$0.34
Maintenance	\$1.64	\$0.90	\$0.66	\$0.53	\$0.46	\$0.41
Household Consumables	\$1.64	\$0.90	\$0.66	\$0.53	\$0.46	\$0.41
Food	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59
Rate Per person	\$47.05	\$30.28	\$26.49	\$24.96	\$23.48	\$22.50
Contracted Capacity	1	2	3	4	5	6
Capacity Rate	\$47.05	\$60.55	\$79.47	\$99.85	\$117.40	\$134.99
Unoccupied Capacity Discount						
Telephone	\$1.18	\$0.67	\$0.50	\$0.42	\$0.37	\$0.34
Food	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59
Total Discount per Occupant	\$9.77	\$9.27	\$9.10	\$9.01	\$8.96	\$8.93

Benchmark Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$47.05	\$51.29	\$61.28	\$72.81	\$81.55	\$90.34
2		\$30.28	\$35.19	\$40.91	\$45.26	\$49.64
3			\$26.49	\$30.29	\$33.16	\$36.07
4				\$24.96	\$27.11	\$29.28
5					\$23.48	\$25.21
6						\$22.50

Adopted Rate Factor

Adopted Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1						
2						
3						
4						
5						
6						

Independent Rate Model
Group Home Services
All Group Home, Room & Board
(Other/Rural Area)

Other/Rural						
<i>Current Factors, Inflated</i>						
	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Occupancy	1	2	3	4	5	6
Number of Days per Month	30.4	30.4	30.4	30.4	30.4	30.4
Monthly Factors						
Rent	\$543.39	\$723.00	\$1,004.93	\$1,011.75	\$1,163.51	\$1,338.04
Utilities	\$164.76	\$183.89	\$202.26	\$219.50	\$236.08	\$253.80
Telephone	\$22.74	\$28.42	\$34.10	\$39.79	\$45.47	\$51.16
Maintenance	\$51.16	\$56.84	\$62.52	\$68.21	\$73.89	\$79.58
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$248.22	\$496.44	\$744.66	\$992.88	\$1,241.10	\$1,489.32
Daily Factors						
Rent	\$17.87	\$23.78	\$33.06	\$33.28	\$38.27	\$44.01
Utilities	\$5.42	\$6.05	\$6.65	\$7.22	\$7.77	\$8.35
Telephone	\$0.75	\$0.93	\$1.12	\$1.31	\$1.50	\$1.68
Maintenance	\$1.68	\$1.87	\$2.06	\$2.24	\$2.43	\$2.62
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$8.17	\$16.33	\$24.50	\$32.66	\$40.83	\$48.99
Per Occupant, Per Day Factors						
Rent	\$17.87	\$11.89	\$11.02	\$8.32	\$7.65	\$7.34
Utilities	\$5.42	\$3.02	\$2.22	\$1.81	\$1.55	\$1.39
Telephone	\$0.75	\$0.47	\$0.37	\$0.33	\$0.30	\$0.28
Maintenance	\$1.68	\$0.93	\$0.69	\$0.56	\$0.49	\$0.44
Household Consumables	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Food	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17
Rate Per person	\$33.89	\$24.48	\$22.46	\$19.18	\$18.16	\$17.61
Contracted Capacity	1	2	3	4	5	6
Capacity Rate	\$33.89	\$48.97	\$67.38	\$76.71	\$90.79	\$105.65
Unoccupied Capacity Discount						
Telephone	\$0.75	\$0.47	\$0.37	\$0.33	\$0.30	\$0.28
Food	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17	\$8.17
Total Discount per Occupant	\$8.91	\$8.63	\$8.54	\$8.49	\$8.46	\$8.45

Benchmark Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$33.89	\$40.33	\$50.31	\$51.24	\$56.93	\$63.43
2		\$24.48	\$29.42	\$29.87	\$32.70	\$35.94
3			\$22.46	\$22.74	\$24.62	\$26.77
4				\$19.18	\$20.58	\$22.19
5					\$18.16	\$19.44
6						\$17.61

Adopted Rate Factor	100.0%
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Adopted Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$33.89	\$40.33	\$50.31	\$51.24	\$56.93	\$63.43
2		\$24.48	\$29.42	\$29.87	\$32.70	\$35.94
3			\$22.46	\$22.74	\$24.62	\$26.77
4				\$19.18	\$20.58	\$22.19
5					\$18.16	\$19.44
6						\$17.61

Independent Rate Model
Group Home Services
All Group Home, Room & Board
(Other/Rural Area)

Other/Rural						
<i>Proposed Rebase</i>						
	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Occupancy	1	2	3	4	5	6
Number of Days per Month	30.4	30.4	30.4	30.4	30.4	30.4
Monthly Factors						
Rent	\$591.94	\$707.28	\$1,103.58	\$1,352.53	\$1,441.76	\$1,653.94
Utilities	\$187.87	\$212.08	\$237.79	\$259.90	\$282.09	\$305.42
Telephone	\$35.74	\$40.85	\$45.95	\$51.06	\$56.17	\$61.27
Maintenance	\$50.00	\$55.00	\$60.00	\$65.00	\$70.00	\$75.00
Household Consumables	\$50.00	\$55.00	\$60.00	\$65.00	\$70.00	\$75.00
Food	\$261.25	\$522.50	\$783.75	\$1,045.00	\$1,306.25	\$1,567.50
Daily Factors						
Rent	\$19.47	\$23.27	\$36.30	\$44.49	\$47.43	\$54.41
Utilities	\$6.18	\$6.98	\$7.82	\$8.55	\$9.28	\$10.05
Telephone	\$1.18	\$1.34	\$1.51	\$1.68	\$1.85	\$2.02
Maintenance	\$1.64	\$1.81	\$1.97	\$2.14	\$2.30	\$2.47
Household Consumables	\$1.64	\$1.81	\$1.97	\$2.14	\$2.30	\$2.47
Food	\$8.59	\$17.19	\$25.78	\$34.38	\$42.97	\$51.56
Per Occupant, Per Day Factors						
Rent	\$19.47	\$11.63	\$12.10	\$11.12	\$9.49	\$9.07
Utilities	\$6.18	\$3.49	\$2.61	\$2.14	\$1.86	\$1.67
Telephone	\$1.18	\$0.67	\$0.50	\$0.42	\$0.37	\$0.34
Maintenance	\$1.64	\$0.90	\$0.66	\$0.53	\$0.46	\$0.41
Household Consumables	\$1.64	\$0.90	\$0.66	\$0.53	\$0.46	\$0.41
Food	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59
Rate Per person	\$38.71	\$26.20	\$25.12	\$23.34	\$21.23	\$20.49
Contracted Capacity	1	2	3	4	5	6
Capacity Rate	\$38.71	\$52.39	\$75.36	\$93.37	\$106.13	\$122.96
Unoccupied Capacity Discount						
Telephone	\$1.18	\$0.67	\$0.50	\$0.42	\$0.37	\$0.34
Food	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59	\$8.59
Total Discount per Occupant	\$9.77	\$9.27	\$9.10	\$9.01	\$8.96	\$8.93

Benchmark Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1	\$38.71	\$43.13	\$57.17	\$66.33	\$70.27	\$78.32
2		\$26.20	\$33.13	\$37.67	\$39.62	\$43.62
3			\$25.12	\$28.12	\$29.40	\$32.06
4				\$23.34	\$24.29	\$26.28
5					\$21.23	\$22.81
6						\$20.49

Adopted Rate Factor

Adopted Rates						
Occupancy (Persons)	Contracted Capacity					
	1	2	3	4	5	6
1						
2						
3						
4						
5						
6						

Independent Rate Models
Professional Services
Home Health Aide

	Current Model	Inflated Model	Proposed Rebase
Service	Home Health Aide		
Unit of Service	1 hour	1 hour	1 hour
DDD Procedure Code	T01609	T01609	T01609
AHCCCS Procedure Code / Unit of Service	T1021 / visit	T1021 / visit	T1021 / visit
FFY 08 AHCCCS Rate	\$32.76	\$37.00	\$37.00
Hourly Wage	\$8.67	\$9.86	\$10.59
Annual Wage	\$18,035	\$20,503	\$22,036
ERE (as percent of wages)	30.0%	30.0%	34.5%
Hourly Compensation (wages + ERE)	\$11.27	\$12.81	\$14.25
Annual Compensation (wages + ERE)	\$23,446	\$26,653	\$29,638
Factors Offsetting Direct Care Service Hours			
- Total Hours	8.00	8.00	8.00
- Travel Time	0.60	0.60	0.75
- Time allocated to notes/med records	0.50	0.50	0.00
- Training Time	0.00	0.00	0.15
- Time allocated to missed appointments	0.00	0.00	0.15
- Average on-site time; "Billable Hours"	6.90	6.90	6.94
- <i>Productivity Adjustment</i>	1.16	1.16	1.15
Hourly Compensation After Adjustment	\$13.07	\$14.86	\$16.42
Annual Compensation After Adjustment	\$27,184	\$30,903	\$34,155
Mileage			
- Number of Miles	30	30	22.5
- Amount per mile	\$0.345	\$0.392	\$0.445
Total Mileage Amount	\$10.35	\$11.77	\$10.01
Hourly mileage cost	\$1.50	\$1.71	\$1.44
Program Support Costs ¹			
- Program Support Percent	0.0%	0.0%	4.0%
- Non-travel/Total cost	\$0.00	\$0.00	\$17.86
Hourly program support cost	\$0.76	\$0.87	\$0.83
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$13.83	\$15.72	\$17.86
Hourly administrative cost	\$1.38	\$1.57	\$2.08
SFY 04			
Benchmark Rate	\$16.72		
Adopted Rate Factor	93.0%		
Adopted Rate	\$15.55		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$17.43		
Adopted Rate Factor	95.75%		
Adopted Rate	\$16.69		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$17.43		
Adopted Rate Factor	97.61%		
Adopted Rate	\$17.01		

Independent Rate Models

Professional Services
Home Health Aide

	Current Model	Inflated Model	Proposed Rebase
Service	Home Health Aide		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$18.13		
Adopted Rate Factor	97.61%		
Adopted Rate	\$17.69		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$18.42		
Adopted Rate Factor	100.00%		
Adopted Rate	\$18.42		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$19.01	\$19.00	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$19.01	\$19.00	
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate Inflation Adjustment			
Benchmark Rate			\$20.77
Adopted Rate Factor			
Adopted Rate			

¹ Current & Inflated Model costs are for "Supervision"

Independent Rate Models
Professional Services
Nursing, Short-Term

	Current Model	Inflated Model	Proposed Rebase	
			Maricopa, Pima & Pinal	All Other Counties
Service	Nursing, Short-Term			
Unit of Service	1 hour	1 hour	1 hour	1 hour
DDD Taxonomy Code	T02304	T02304	T02304	T02304
AHCCCS Procedure Code / Unit of Service	varies / hour	varies / hour	varies / hour	varies / hour
FFY 08 AHCCCS Rate	varies	varies	varies	varies
Hourly Wage	\$20.11	\$22.86	\$23.05	\$23.05
Annual Wage	\$41,836	\$47,559	\$47,944	\$47,944
ERE (as percent of wages)	30.0%	30.0%	30.0%	30.0%
Hourly Compensation (wages + ERE)	\$26.15	\$29.72	\$29.97	\$29.97
Annual Compensation (wages + ERE)	\$54,387	\$61,827	\$62,327	\$62,327
Factors Offsetting Direct Care Service Hours				
- Total Hours	8.00	8.00	8.00	8.00
- Travel Time	0.60	0.60	1.00	1.00
- Time allocated to notes/med records	0.50	0.50	0.50	0.50
- Training Time	0.00	0.00	0.15	0.15
- Time allocated to missed appointments	0.00	0.00	0.00	0.00
- Average on-site time; "Billable Hours"	6.90	6.90	6.35	6.35
- Productivity Adjustment	1.16	1.16	1.26	1.26
Hourly Compensation After Adjustment	\$30.32	\$34.46	\$37.77	\$37.77
Annual Compensation After Adjustment	\$54,387	\$61,827	\$62,327	\$62,327
Mileage				
- Number of Miles	30	30	30	30
- Amount per mile	\$0.345	\$0.392	\$0.445	\$0.445
Total Mileage Amount	\$10.35	\$11.77	\$13.35	\$13.35
Hourly mileage cost	\$1.50	\$1.71	\$2.10	\$2.10
Program Support Costs ¹				
- Program Support Percent	0.0%	0.0%	4.0%	4.0%
- Non-travel/Total cost	\$0.00	\$0.00	\$39.88	\$39.88
Hourly program support cost	\$0.76	\$0.87	\$1.85	\$1.85
Administrative Overhead				
- Administrative Percent	10.0%	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$31.08	\$35.33	\$39.88	\$39.88
Hourly administrative cost	\$3.11	\$3.53	\$3.00	\$3.00
SFY 04				
Benchmark Rate	\$35.69			
Adopted Rate Factor	93.0%			
Calculated Adopted Rate	\$33.19			
Adopted Rate	\$35.00			
SFY 05				
Benchmark Rate Inflation Adjustment	4.25%			
Benchmark Rate	\$37.21			
Adopted Rate Factor	95.75%			
Adopted Rate	\$35.63			
SFY 06 (7/1/05 - 12/31/05)				
Benchmark Rate Inflation Adjustment	0.00%			
Benchmark Rate	\$37.21			
Adopted Rate Factor	97.61%			
Adopted Rate	\$36.32			

Independent Rate Models

Professional Services
Nursing, Short-Term

	Current Model	Inflated Model	Proposed Rebase	
			Maricopa, Pima & Pinal	All Other Counties
Service	Nursing, Short-Term			
SFY 06 (1/1/06 - 6/30/06)				
Benchmark Rate Inflation Adjustment	4.00%			
Benchmark Rate	\$38.70			
Adopted Rate Factor	97.61%			
Adopted Rate	\$37.77			
SFY 07 (7/1/06 - 6/30/07)				
Benchmark Rate Inflation Adjustment	1.60%			
Benchmark Rate	\$39.31			
Adopted Rate Factor	100.00%			
Adopted Rate	\$39.31			
SFY 08 (7/1/07 - 6/30/08)				
Benchmark Rate Inflation Adjustment	3.20%			
Benchmark Rate	\$40.57	\$40.57		
Adopted Rate Factor	100.00%	100.00%		
Adopted Rate	\$40.57	\$40.57		
SFY 09 (7/1/08 - 6/30/09)				
Benchmark Rate			\$44.73	\$44.73
Rural adjustment			0.0%	9.0%
Adjusted Benchmark Rate			\$44.73	\$48.76
Adopted Rate Factor				
Adopted Rate				

¹ Current & Inflated Model costs are for "Supervision"

Independent Rate Models
Professional Services
Nursing, Long-Term

	Current Model ¹	Inflated Model ¹	Proposed Rebase	
			Maricopa, Pima & Pinal	All Other Counties
Service	Nursing, Long-Term			
Unit of Service	1 hour	1 hour	1 hour	1 hour
DDD Taxonomy Code	T02304	T02304	T02304	T02304
AHCCCS Procedure Code / Unit of Service	varies / hour	varies / hour	varies / hour	varies / hour
FFY 08 AHCCCS Rate	varies	varies	varies	varies
Hourly Wage	\$20.11	\$22.86	\$23.05	\$23.05
Annual Wage	\$41,836	\$47,559	\$47,938	\$47,938
ERE (as percent of wages)	30.0%	30.0%	30.0%	30.0%
Hourly Compensation (wages + ERE)	\$26.15	\$29.72	\$29.96	\$29.96
Annual Compensation (wages + ERE)	\$54,387	\$61,827	\$62,319	\$62,319
Factors Offsetting Direct Care Service Hours				
- Total Hours	8.00	8.00	8.00	8.00
- Travel Time	0.60	0.60	0.60	0.60
- Time allocated to notes/med records	0.50	0.50	0.50	0.50
- Training Time	0.00	0.00	0.15	0.15
- Time allocated to missed appointments	0.00	0.00	0.00	0.00
- Average on-site time; "Billable Hours"	6.90	6.90	6.75	6.75
- Productivity Adjustment	1.16	1.16	1.19	1.19
Hourly Compensation After Adjustment	\$30.32	\$34.46	\$35.53	\$35.53
Annual Compensation After Adjustment	\$54,387	\$61,827	\$62,319	\$62,319
Mileage				
- Number of Miles	30	30	30	30
- Amount per mile	\$0.345	\$0.392	\$0.445	\$0.445
Total Mileage Amount	\$10.35	\$11.77	\$13.35	\$13.35
Hourly mileage cost	\$1.50	\$1.71	\$1.98	\$1.98
Program Support Costs ²				
- Program Support Percent	0.0%	10.0%	4.0%	4.0%
- Non-travel/Total cost	\$0.00	\$0.00	\$37.51	\$37.51
Hourly program support cost	\$0.76	\$0.87	\$1.74	\$1.74
Administrative Overhead				
- Administrative Percent	10.0%	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$31.08	\$35.33	\$37.51	\$37.51
Hourly administrative cost	\$3.11	\$3.53	\$3.00	\$3.00
SFY 04				
Benchmark Rate	\$571.04			
Adopted Rate Factor	93.0%			
Calculated Adopted Rate	\$531.07			
Adopted Rate, Daily	\$560.00			
SFY 05				
Benchmark Rate Inflation Adjustment	4.25%			
Benchmark Rate	\$595.31			
Adopted Rate Factor	95.75%			
Adopted Rate, Daily	\$570.01			
SFY 06 (7/1/05 - 12/31/05)				
Benchmark Rate Inflation Adjustment	0.00%			
Benchmark Rate	\$595.31			
Adopted Rate Factor	97.61%			
Adopted Rate, Daily	\$581.08			

Independent Rate Models

Professional Services
Nursing, Long-Term

	Current Model ¹	Inflated Model ¹	Proposed Rebase	
			Maricopa, Pima & Pinal	All Other Counties
Service	Nursing, Long-Term			
SFY 06 (1/1/06 - 6/30/06)				
Benchmark Rate Inflation Adjustment	4.00%			
Benchmark Rate	\$619.12			
Adopted Rate Factor	97.61%			
Adopted Rate, Daily	\$604.32			
SFY 07 (7/1/06 - 6/30/07)				
Benchmark Rate Inflation Adjustment	1.60%			
Benchmark Rate	\$629.03			
Adopted Rate Factor	100.00%			
Adopted Rate, Daily	\$629.03			
SFY 08 (7/1/07 - 6/30/08)				
Benchmark Rate Inflation Adjustment	3.20%			
Benchmark Rate	\$649.16	\$649.12		
Adopted Rate Factor	100.00%	100.00%		
Adopted Rate, Daily	\$649.16	\$649.12		
Adopted Rate	\$40.57	\$40.57		
SFY 09 (7/1/08 - 6/30/09)				
Benchmark Rate			\$42.25	\$42.25
Rural adjustment			0.0%	9.0%
Adjusted Benchmark Rate			\$42.25	\$46.05
Adopted Rate Factor				
Adopted Rate				

¹ Values derived from hourly rate amounts

² Current & Inflated Model costs are for "Supervision"

Independent Rate Models
Specialized Habilitation Services
Specialized Habilitation with Music Component

	Current Model	Inflated Model	Proposed Rebase
Service	Specialized Habilitation with Music Component		
Unit of Service	1 hour	1 hour	1 hour
DDD Taxonomy Code			
AHCCCS Procedure Code			
FFY 08 AHCCCS Rate			
Hourly Wage	\$20.53	\$23.34	\$21.88
Annual Wage	\$42,711	\$48,554	\$45,510
ERE (as percent of wages)	30.0%	30.0%	30.0%
Hourly Compensation (wages + ERE)	\$26.69	\$30.35	\$28.44
Annual Compensation (wages + ERE)	\$55,524	\$63,120	\$59,164
Factors Offsetting Direct Care Service Hours			
- Total Hours	8.00	8.00	8.00
- Travel Time	0.75	0.75	1.00
- Time allocated to notes/med records	0.25	0.25	0.00
- Training Time	0.00	0.00	0.15
- Time allocated to missed appointments	0.00	0.00	0.15
- Average on-site time; "Billable Hours"	7.00	7.00	6.69
- <i>Productivity Adjustment</i>	1.14	1.14	1.20
Hourly Compensation After Adjustment	\$30.51	\$34.68	\$34.00
Annual Compensation After Adjustment	\$55,524	\$63,120	\$59,164
Mileage			
- Number of Miles	35	35	30
- Amount per mile	\$0.345	\$0.392	\$0.445
Total Mileage Amount	\$12.08	\$13.73	\$13.35
Hourly mileage cost	\$1.73	\$1.96	\$1.99
Program Support Costs			
- Program Support Percent	0.0%	0.0%	4.0%
- Non-travel/Total cost	\$30.51	\$34.68	\$36.00
Hourly program support cost	\$0.00	\$0.00	\$1.67
Administrative Overhead			
- Administrative Percent	10.0%	10.0%	10.0%
- Non-travel/Total cost	\$30.51	\$34.68	\$36.00
Hourly administrative cost	\$3.05	\$3.47	\$3.00
SFY 04			
Benchmark Rate	\$35.28		
Adopted Rate Factor	100.0%		
Adopted Rate	\$35.28		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$36.78		
Adopted Rate Factor	95.75%		
Calculated Adopted Rate	\$35.22		
Adopted Rate	\$35.28		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$36.78		
Adopted Rate Factor	97.61%		
Adopted Rate	\$35.90		

Independent Rate Models
Specialized Habilitation Services
Specialized Habilitation with Music Component

	Current Model	Inflated Model	Proposed Rebase
Service	Specialized Habilitation with Music Component		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$38.25		
Adopted Rate Factor	97.61%		
Adopted Rate	\$37.34		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$38.86		
Adopted Rate Factor	100.00%		
Adopted Rate	\$38.86		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$40.10	\$40.11	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$40.10	\$40.11	
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment			
Benchmark Rate			\$40.67
Adopted Rate Factor			
Adopted Rate			

Independent Rate Models
Transportation Services
Flat Trip Rate for Regularly Scheduled Daily Transportation, Adult

	Current Model	Inflated Model	Proposed Rebase
Service	Day Treatment and Training, Adult Related Transportation		
	200 days	200 days	225.0 days
Total Staff in a DTA Program/Hrs charged to Trans	5	5	4.6
Total Individuals in a DTA Program	16	16	16
Without Transportation	44% 7	44% 7	6.0
With Transportation	56% 9	56% 9	10.0
Transportation Capital	Per Year Per Day	Per Year Per Day	
Vehicle/Van	\$8,000 \$40.00	\$9,735 \$48.67	
Insurance	\$3,600 \$18.00	\$4,381 \$21.90	
Total transport cost	\$11,600 \$58.00	\$14,116 \$70.58	
	Without Trans With Trans	Without Trans With Trans	TRA Allocation
Transportation-Related Staff Hours	1 4	1 4	3.00
Additional Staff Hours			3.00
Hourly Wage	\$13.22 \$13.22	\$16.09 \$16.09	\$11.73
ERE	30% 30%	30% 30%	34.5%
Hourly Compensation (wages + ERE)	\$17.19 \$17.19	\$20.92 \$20.92	\$15.78
Total Transportation Staff Costs per Day	\$17.19 \$68.77	\$20.92 \$83.68	\$94.66
Transportation Staff Costs per Day (w/ Absence Factor)			\$105.18
Transportation Capital Cost Allocation			
within program	10% 10%	10% 10%	
pick-up/drop-off			80%
Cost per Day			
within program	\$5.80 \$5.80	\$7.06 \$7.06	
pick-up/drop-off			\$56.46
Total Transportation Capital per Day	\$5.80 \$52.20	\$7.06 \$63.52	
Total Transportation Capital Allocation	10.0% 90.0%	10.0% 90.0%	
Total Transportation Staff Hours per Day	\$17.19 \$68.77	\$20.92 \$83.68	
Total Cost per Day	\$22.99 \$120.97	\$27.98 \$147.20	\$105.18
Individuals	7 9	7 9	10
Mileage per person per day	2 12	2 12	10
Total miles	14 108	14 108	100
Cost per mile	\$0.345 \$0.345	\$0.420 \$0.420	\$0.779
Total miles cost	\$4.83 \$37.26	\$5.88 \$45.34	\$77.91
Total Transportation Cost	\$27.82 \$158.23	\$33.86 \$192.54	\$183.09
Cost per Person	\$3.97 \$17.58	\$4.84 \$21.39	\$18.31
Cost per Hour	\$0.57 \$2.51	\$0.69 \$3.06	
Difference per person per hour		\$1.94 \$2.37	
Difference per person per day - Transportation		\$13.58 \$16.56	
Program support addition per hour			\$0.85
Administrative overhead addition per hour	\$0.19	\$0.24	\$2.13
Difference per person per day - Total	\$14.94	\$18.21	\$21.29
SFY 04			
Model Rate	\$7.47		
Benchmark Rate	\$8.00		
Adopted Rate Factor	100%		
SFY 05 Benchmark Rate	\$8.00		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$8.34		
Adopted Rate Factor	95.75%		
Calculated Adopted Rate	\$7.99		
Adopted Rate = Same as in SFY 04	\$8.00		

Independent Rate Models
Transportation Services
Flat Trip Rate for Regularly Scheduled Daily Transportation, Adult

	Current Model	Inflated Model	Proposed Rebase
Service	Day Treatment and Training, Adult Related Transportation		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$8.34		
Adopted Rate Factor	97.61%		
Adopted Rate	\$8.14		
Effective cost per mile due to rate adj., SFY 04 - SFY 06	\$0.376		
Temporary increase in cost per mile*	\$0.485		
Percent increase in cost per mile	29.0%		
Mileage allowance in model	10		
Portion of mileage in SFY 06 model	\$3.76		
Adjusted mileage cost	\$4.85		
Adjustment for higher cost per mile*	\$1.09		
Remaining portion of the model (constant)	\$4.38		
Adjusted Adopted Rate	\$9.23		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$8.67		
Adopted Rate Factor	97.61%		
Adopted Rate	\$8.47		
Effective cost per mile due to rate adj., SFY 04 - SFY 06	\$0.391		
Temporary increase in cost per mile*	\$0.485		
Percent increase in cost per mile	24.0%		
Mileage allowance in model	10		
Portion of mileage in SFY 06 model	\$3.91		
Adjusted mileage cost	\$4.85		
Adjustment for higher cost per mile*	\$0.94		
Remaining portion of the model (constant)	\$4.56		
Adjusted Adopted Rate	\$9.41		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$8.81		
Adopted Rate Factor	100.00%		
Adopted Rate	\$8.81		
Effective cost per mile due to rate adj., SFY 04 - SFY 07	\$0.391		
Temporary increase in cost per mile*	\$0.485		
Percent increase in cost per mile	24.0%		
Mileage allowance in model	10		
Portion of mileage in SFY 06 model	\$3.91		
Adjusted mileage cost	\$4.85		
Adjustment for higher cost per mile*	\$0.94		
Remaining portion of the model (constant)	\$4.90		
Adjusted Adopted Rate	\$9.75		

Independent Rate Models
Transportation Services
Flat Trip Rate for Regularly Scheduled Daily Transportation, Adult

	Current Model	Inflated Model	Proposed Rebase
Service	Day Treatment and Training, Adult Related Transportation		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$9.09		
Adopted Rate Factor	100.00%		
Adopted Rate	\$9.09		
Effective cost per mile due to rate adj., SFY 04 - SFY 07	\$0.391		
Temporary increase in cost per mile*	\$0.485		
Percent increase in cost per mile	24.0%		
Mileage allowance in model	10		
Portion of mileage in SFY 06 model	\$3.91		
Adjusted mileage cost	\$4.85		
Adjustment for higher cost per mile*	\$0.94		
Remaining portion of the model (constant)	\$5.18		
Adjusted Adopted Rate	\$10.03		
* This adjustment to cost per mile is temporary until further notice from the DES/DDD Assistant Director.			
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate	\$9.09	\$9.11	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$9.09	\$9.11	
Adjusted Adopted Rate	\$10.03		
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$10.64
Adopted Rate Factor			
Adopted Rate			

Independent Rate Models
Transportation Services
Flat Trip Rate for Regularly Scheduled Daily Transportation, Child

	Current Model	Inflated Model	Proposed Rebase
Service	Day Treatment and Training, Child Related Transportation		
	240 days	240 days	216.0 days
Total Staff in a DTA Program/Hrs charged to Trans	2.0	2.0	4.6
Total Individuals in a DTA Program	6.0	6.0	16.0
Without Transportation	33% 2.0	33% 2.0	11.0
With Transportation	67% 4.0	67% 4.0	5.0
Transportation Capital	Per Year Per Day	Per Year Per Day	
Vehicle/Van	\$5,200 \$21.67	\$5,894 \$24.56	
Insurance	\$3,600 \$15.00	\$4,080 \$17.00	
Total transport cost	\$8,800 \$36.67	\$9,974 \$41.56	
	Without Trans With Trans	Without Trans With Trans	TRA Allocation
Transportation-Related Staff Hours	0.0 1.0	0.0 1.0	1.50
Additional Staff Hours			1.50
Hourly Wage	\$13.22 \$13.22	\$14.99 \$14.99	\$11.73
ERE	15% 15%	15% 15%	34.5%
Hourly Compensation (wages + ERE)	\$15.21 \$15.21	\$17.24 \$17.24	\$15.78
Total Transportation Staff Costs per Day	\$0.00 \$15.21	\$0.00 \$17.24	\$47.33
Transportation Staff Costs per Day (w/ Absence Factor)			\$52.59
Transportation Capital Cost Allocation			
within program	6.7% 13.3%	6.7% 13.3%	
pick-up/drop-off			80.0%
Cost per Day			
within program	\$2.44 \$4.89	\$2.77 \$5.54	
pick-up/drop-off			\$33.25
Total Transportation Capital per Day	\$2.44 \$34.22	\$2.77 \$38.79	
Total Transportation Capital Allocation	6.7% 93.3%	6.7% 93.3%	
Total Transportation Staff Hours per Day	\$0.00 \$15.21	\$0.00 \$17.24	
Total Cost per Day	\$2.44 \$49.43	\$2.77 \$56.02	\$52.59
Individuals	2 4	2 4	5.0
Mileage per person per day	2 12	2 12	10
Total miles	4 48	4 48	50
Cost per mile	\$0.345 \$0.345	\$0.391 \$0.391	\$0.740
Total miles cost	\$1.38 \$16.56	\$1.56 \$18.77	\$37.00
Total Transportation Cost	\$3.82 \$65.99	\$4.33 \$74.79	\$89.59
Cost per Person	\$1.91 \$16.50	\$2.17 \$18.70	\$17.92
Cost per Hour	\$0.48 \$4.12	\$0.54 \$4.67	
Difference per person per hour			\$4.13
Difference per person per day - Transportation			\$16.54
Program support addition per hour			\$0.83
Administrative overhead addition per hour	\$0.36	\$0.41	\$2.08
Difference per person per day - Total	\$16.04	\$18.19	\$20.83
SFY 04			
Model Rate	\$8.02		
Benchmark Rate	\$8.00		
Adopted Rate Factor	100%		
SFY 05 Benchmark Rate	\$8.00		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$8.34		
Adopted Rate Factor	95.75%		
Calculated Adopted Rate	\$7.99		
Adopted Rate = Same as in SFY 04	\$8.00		

Independent Rate Models
Transportation Services
Flat Trip Rate for Regularly Scheduled Daily Transportation, Child

	Current Model	Inflated Model	Proposed Rebase
Service	Day Treatment and Training, Child Related Transportation		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$8.34		
Adopted Rate Factor	97.61%		
Adopted Rate	\$8.14		
Effective cost per mile due to rate adj., SFY 04 - SFY 06			
Temporary increase in cost per mile*			
Percent increase in cost per mile			
Mileage allowance in model			
Portion of mileage in SFY 06 model			
Adjusted mileage cost			
Adjustment for higher cost per mile*	\$1.09		
Remaining portion of the model (constant)			
Adjusted Adopted Rate	\$9.23		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$8.67		
Adopted Rate Factor	97.61%		
Adopted Rate	\$8.47		
Effective cost per mile due to rate adj., SFY 04 - SFY 06			
Temporary increase in cost per mile*			
Percent increase in cost per mile			
Mileage allowance in model			
Portion of mileage in SFY 06 model			
Adjusted mileage cost			
Adjustment for higher cost per mile*	\$0.94		
Remaining portion of the model (constant)			
Adjusted Adopted Rate	\$9.41		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$8.81		
Adopted Rate Factor	100.00%		
Adopted Rate	\$8.81		
Effective cost per mile due to rate adj., SFY 04 - SFY 07			
Temporary increase in cost per mile*			
Percent increase in cost per mile			
Mileage allowance in model			
Portion of mileage in SFY 06 model			
Adjusted mileage cost			
Adjustment for higher cost per mile*	\$0.94		
Remaining portion of the model (constant)			
Adjusted Adopted Rate	\$9.75		

Independent Rate Models
Transportation Services
Flat Trip Rate for Regularly Scheduled Daily Transportation, Child

	Current Model	Inflated Model	Proposed Rebase
Service	Day Treatment and Training, Child Related Transportation		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$9.09		
Adopted Rate Factor	100.00%		
Adopted Rate	\$9.09		
Effective cost per mile due to rate adj., SFY 04 - SFY 07			
Temporary increase in cost per mile*			
Percent increase in cost per mile			
Mileage allowance in model			
Portion of mileage in SFY 06 model			
Adjusted mileage cost			
Adjustment for higher cost per mile*	\$0.94		
Remaining portion of the model (constant)			
Adjusted Adopted Rate	\$10.03		
* This adjustment to cost per mile is temporary until further notice from the DES/DDD Assistant Director.			
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate	\$9.09	\$9.10	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$9.09	\$9.10	
Adjusted Adopted Rate	\$10.03		
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$10.42
Adopted Rate Factor			
Adopted Rate			

Independent Rate Models
Transportation Services
Rural Flat Trip Rate for Regularly Scheduled Daily Transportation, Adult

	Current Model	Inflated Model	Proposed Rebase
Service	Day Treatment and Training, Adult-Rural Related Transportation		
	200 days	200 days	225.0 days
Total Staff in a DTA Program/Hrs charged to Trans	2.0	2.0	1.7
Total Individuals in a DTA Program	6.0	6.0	6.0
Without Transportation	33% 2.0	33% 2.0	2.0
With Transportation	67% 4.0	67% 4.0	4.0
Transportation Capital	Per Year Per Day	Per Year Per Day	
Vehicle/Van	\$5,200 \$26.00	\$6,349 \$31.74	
Insurance	\$3,600 \$18.00	\$4,395 \$21.98	
Total transport cost	\$8,800 \$44.00	\$10,744 \$53.72	
	Without Trans With Trans	Without Trans With Trans	TRA Allocation
Transportation-Related Staff Hours	0.4 1.6	0.4 1.6	2.00
Additional Staff Hours			2.00
Hourly Wage	\$13.22 \$13.22	\$16.15 \$16.15	\$11.73
ERE	30% 30%	30% 30%	34.5%
Hourly Compensation (wages + ERE)	\$17.19 \$17.19	\$20.99 \$20.99	\$15.78
Total Transportation Staff Costs per Day	\$6.88 \$27.51	\$8.40 \$33.58	\$63.11
Transportation Staff Costs per Day (w/ Absence Factor)			\$70.12
Transportation Capital Cost Allocation			
within program	10% 10%	10% 10%	
pick-up/drop-off			80%
Cost per Day			
within program	\$4.40 \$4.40	\$5.37 \$5.37	
pick-up/drop-off			\$42.98
Total Transportation Capital per Day	\$4.40 \$39.60	\$5.37 \$48.35	
Total Transportation Capital Allocation	10.0% 90.0%	10.0% 90.0%	
Total Transportation Staff Hours per Day	\$6.88 \$27.51	\$8.40 \$33.58	
Total Cost per Day	\$11.28 \$67.11	\$13.77 \$81.93	\$70.12
Individuals	2.0 4.0	2.0 4.0	4.0
Mileage per person per day	4 24	4 24	20.0
Total miles	8 96	8 96	80
Cost per mile	\$0.345 \$0.345	\$0.421 \$0.421	\$0.682
Total miles cost	\$2.76 \$33.12	\$3.37 \$40.44	\$54.56
Total Transportation Cost	\$14.04 \$100.23	\$17.14 \$122.37	\$124.68
Cost per Person	\$7.02 \$25.06	\$8.57 \$30.59	\$31.17
Cost per Hour	\$1.00 \$3.58	\$1.22 \$4.37	
Difference per person per hour			\$3.15
Difference per person per day - Transportation			\$22.02
Program support addition per hour			\$1.45
Administrative overhead addition per hour	\$0.26	\$0.32	\$3.62
Difference per person per day - Total	\$19.87	\$24.23	\$36.24
SFY 04			
Model Rate	\$9.94		
Benchmark Rate	\$10.67		
Adopted Rate Factor	100%		
SFY 05 Benchmark Rate	\$10.67		
SFY 05			
Benchmark Rate Inflation Adjustment	4.25%		
Benchmark Rate	\$11.12		
Adopted Rate Factor	95.75%		
Calculated Adopted Rate	\$10.65		
Adopted Rate = Same as in SFY 04	\$10.67		

Independent Rate Models
Transportation Services
Rural Flat Trip Rate for Regularly Scheduled Daily Transportation, Adult

	Current Model	Inflated Model	Proposed Rebase
Service	Day Treatment and Training, Adult-Rural Related Transportation		
SFY 06 (7/1/05 - 12/31/05)			
Benchmark Rate Inflation Adjustment	0.00%		
Benchmark Rate	\$11.12		
Adopted Rate Factor	97.61%		
Adopted Rate	\$10.86		
Effective cost per mile due to rate adj., SFY 04 - SFY 06	\$0.377		
Temporary increase in cost per mile*	\$0.485		
Percent increase in cost per mile	28.7%		
Mileage allowance in model	20		
Portion of mileage in SFY 06 model	\$7.54		
Adjusted mileage cost	\$9.70		
Adjustment for higher cost per mile*	\$2.16		
Remaining portion of the model (constant)	\$3.32		
Adjusted Adopted Rate	\$13.02		
SFY 06 (1/1/06 - 6/30/06)			
Benchmark Rate Inflation Adjustment	4.00%		
Benchmark Rate	\$11.57		
Adopted Rate Factor	97.61%		
Adopted Rate	\$11.29		
Effective cost per mile due to rate adj., SFY 04 - SFY 06	\$0.377		
Temporary increase in cost per mile*	\$0.485		
Percent increase in cost per mile	28.7%		
Mileage allowance in model	20		
Portion of mileage in SFY 06 model	\$7.54		
Adjusted mileage cost	\$9.70		
Adjustment for higher cost per mile*	\$2.16		
Remaining portion of the model (constant)	\$3.75		
Adjusted Adopted Rate	\$13.45		
SFY 07 (7/1/06 - 6/30/07)			
Benchmark Rate Inflation Adjustment	1.60%		
Benchmark Rate	\$11.75		
Adopted Rate Factor	100.00%		
Adopted Rate	\$11.75		
Effective cost per mile due to rate adj., SFY 04 - SFY 07	\$0.377		
Temporary increase in cost per mile*	\$0.485		
Percent increase in cost per mile	28.7%		
Mileage allowance in model	20		
Portion of mileage in SFY 06 model	\$7.54		
Adjusted mileage cost	\$9.70		
Adjustment for higher cost per mile*	\$2.16		
Remaining portion of the model (constant)	\$4.21		
Adjusted Adopted Rate	\$13.91		

Independent Rate Models
Transportation Services
Rural Flat Trip Rate for Regularly Scheduled Daily Transportation, Adult

	Current Model	Inflated Model	Proposed Rebase
Service	Day Treatment and Training, Adult-Rural Related Transportation		
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate Inflation Adjustment	3.20%		
Benchmark Rate	\$12.13		
Adopted Rate Factor	100.00%		
Adopted Rate	\$12.13		
Effective cost per mile due to rate adj., SFY 04 - SFY 07	\$0.377		
Temporary increase in cost per mile*	\$0.485		
Percent increase in cost per mile	28.7%		
Mileage allowance in model	20		
Portion of mileage in SFY 06 model	\$7.54		
Adjusted mileage cost	\$9.70		
Adjustment for higher cost per mile*	\$2.16		
Remaining portion of the model (constant)	\$4.59		
Adjusted Adopted Rate	\$14.29		
* This adjustment to cost per mile is temporary until further notice from the DES/DDD Assistant Director.			
SFY 08 (7/1/07 - 6/30/08)			
Benchmark Rate	\$12.13	\$12.12	
Adopted Rate Factor	100.00%	100.00%	
Adopted Rate	\$12.13	\$12.12	
Adjusted Adopted Rate	\$14.29		
SFY 09 (7/1/08 - 6/30/09)			
Benchmark Rate			\$18.12
Adopted Rate Factor			
Adopted Rate			

RebaseBook 2008

Proposed Rebase Rate Schedules

July 11, 2008

Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Introduction

Purpose of This Schedule

This schedule contains the rates that became effective on February 1, 2008 and the proposed rebased Benchmark rates that were developed during the SFY 2008 rebasing project.

The rates contained in these schedules are not to be used by providers to bill the Division. The rebased rates on the following schedules are being released for the purpose of soliciting public comments on the Division's rebasing efforts. Until further notice rates to be paid during SFY 2009 are contained in the February 2008 RateBook.

The Schedules that follow contain three columns of rates.

- The first column labeled "Benchmark Rate" (SFY08) contains the current Benchmark rates (as of February 2008) that the Division calculated through its rate setting process that began in SFY04.
- The second column labeled "Adopted Rate" contains the current Adopted rates (as of February 2008) that the Division is paying for services.
- The third column contains the proposed rebased Benchmark rates developed through the Division's rebasing activities.

The discussions within the Rate Schedule(s) for 'Rate' or 'Unit of Service' apply to the Proposed Rebase Benchmark rates. This documentation may differ from prior releases of the Division's RateBook. Any variations and/or changes are denoted with underlined text. These processes, like the rates, are being released for the purpose of soliciting public comments on the Division's rebasing efforts.

Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Home-Based Services

Unit of Service

1. The basis of payment for all Home-Based Services is an hourly unit of direct service time. Direct service time is the period of time spent with or on behalf of the consumer and verified by the consumer. When billing, the Qualified Vendor should round its direct service time to the nearest 15-minute increment, as illustrated in the examples below:

- If services were provided for 65 minutes, bill for 1 hour.
- If services were provided for 68 minutes, bill for 1.25 hour.
- If services were provided for 50 minutes, bill for .75 hour.

2. If the Qualified Vendor provides respite for a total of more than 8 hours (consecutive or non-consecutive) in one calendar day, this is considered to be Respite, Long-Term. A calendar day is a 24-hour stretch of time that begins at midnight and ends at 11:59 p.m. of the same day. A Qualified Vendor billing for Respite, Long-Term will bill for the appropriate number of units of service (hours) and all hours will be billed at the published rate for Respite, Long-Term.

3. In no event will more than three consumers receive the same service with a single direct service staff person at the same time.

Description	Unit of Service	Multiple Clients	SFY 08		Proposed ReBase Benchmark Rate
			Benchmark Rate	Adopted Rate	Benchmark Rate
Attendent Care					
Attendant Care	Client Hour	1	\$16.09	\$16.09	\$18.44
Attendant Care	Client Hour	2	\$10.06	\$10.06	\$11.53
Attendant Care	Client Hour	3	\$8.05	\$8.05	\$9.22
Habilitation, Community Protection and Treatment Hourly					
Habilitation, Community Protection and Treatment Hourly	Client Hour	1	\$21.57	\$21.57	\$24.61
Habilitation, Community Protection and Treatment Hourly	Client Hour	2	\$13.48	\$13.48	\$15.38
Habilitation, Community Protection and Treatment Hourly	Client Hour	3	\$10.79	\$10.79	\$12.31
Habilitation, Support					
Habilitation, Support	Client Hour	1	\$20.53	\$20.53	\$22.41
Habilitation, Support	Client Hour	2	\$12.83	\$12.83	\$14.01
Habilitation, Support	Client Hour	3	\$10.27	\$10.27	\$11.21
Housekeeping					
Housekeeping	Client Hour	1	\$14.82	\$14.82	\$16.07
Housekeeping	Client Hour	2	\$9.26	\$9.26	\$10.04
Housekeeping	Client Hour	3	\$7.41	\$7.41	\$8.04
Respite, Short-Term					
Respite, Short-Term	Client Hour	1	\$15.77	\$15.77	\$18.44
Respite, Short-Term	Client Hour	2	\$9.86	\$9.86	\$11.53
Respite, Short-Term	Client Hour	3	\$7.89	\$7.89	\$9.22
Respite, Long-Term ¹					
Respite, Long-Term	Client Hour	1	\$8.03	\$8.03	\$13.86
Respite, Long-Term	Client Hour	2	\$5.02	\$5.02	\$8.66
Respite, Long-Term	Client Hour	3	\$4.02	\$4.02	\$6.93

¹ The amounts presented for SFY 08 Benchmark/Adopted Rates are the 'Effective Hourly' rates based upon Respite, Continuous at 24 hours.
The element of the schedule is either new or was changed from the February 1, 2008 release

Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Independent Living Services

Rate

1. The hourly rate for this service is based on hour (60 minutes) of direct service time.
 2. The daily rate for this service is based on Staff Hour unit of service. Staff Hours are the hours provided by the Qualified Vendor that the Division authorizes the Qualified Vendor to schedule and provide at the service site to assure health, safety, and the delivery of habilitation services to the residents.
- The Division will make payments to the Qualified Vendor on the per diem basis based on the hourly rate for the Staff Hour unit of service, the number of residents at the site, and the direct service hours provided up to the number of authorized direct service hours for the site.

Unit of Service – Hourly

1. The basis of payment for this service is an hourly unit of direct service time. Direct service time is the period of time spent with or on behalf of the consumer and verified by the consumer. The Qualified Vendor may bill the Division an hourly rate if and only if the Division authorizes this invoicing of an hourly rate. The Division will authorize an hourly rate if:
 - Direct service time that is authorized in a given setting is less than 16 hours (consecutive or non-consecutive) on any calendar day. A calendar day is a 24-hour stretch of time that begins at midnight and ends at 11:59 p.m. of the same day, or:
 - Direct service time that is authorized in a given setting is less than 112 hours in a week. A week is a consecutive seven day stretch of time that begins at midnight on Sunday and ends at 11:59 p.m. the following Saturday.
2. If the Qualified Vendor provides an hourly unit of direct service time, when billing the Qualified Vendor should round its direct service time to the nearest 15-minute increment, as illustrated in the examples below:
 - If services were provided for 65 minutes, bill for 1 hour.
 - If services were provided for 68 minutes, bill for 1.25 hour.
 - If services were provided for 50 minutes, bill for 0.75 hour.
3. If the Qualified Vendor provides an hourly unit of direct service time and the Qualified Vendor provides this service with a single direct service staff person to multiple consumers at the same time, the basis of payment for each consumer will be the total direct service time multiplied by the appropriate multiple client rate for the same unit of service. In no event will more than three consumers receive this service with a single direct service staff person at the same time.

Unit of Service – Daily

1. The basis of payment for this service is an hourly unit of direct service time converted into a daily rate. Direct service time is the period of time spent with or on behalf of the consumer and verified by the consumer. The Qualified Vendor may bill the Division a daily rate if and only if the Division authorizes this invoicing of a daily rate. The Division will authorize a daily rate if:
 - Direct service time that is authorized in a given setting is more than 16 hours (consecutive or non-consecutive) on any calendar day in a week. A calendar day is a 24-hour stretch of time that begins at midnight and ends at 11:59 p.m. of the same day, or:
 - Direct service time that is authorized in a given setting is more than 112 hours in a week. A week is a consecutive seven day stretch of time that begins at midnight on Sunday and ends at 11:59 p.m. the following Saturday.

Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Independent Living Services

2. The Daily Rates schedule for Habilitation, Individually Designed Living Arrangement contains 22 tables with Daily Rates, and each table refers to one of 22 ranges. Each range represents a level of staffing with the number of direct service hours that are authorized by the Division to be provided by the Qualified Vendor at a particular site during a week. The number of hours specified in each range represents the number of direct service hours the Qualified Vendor must provide in a week in order to bill the per diem rates associated with that range. These Daily Rates are statewide for all Habilitation, Individually Designed Living Arrangement.
3. The Qualified Vendor shall invoice for payment for each consumer the per diem rate on the Daily Rates schedule for Habilitation, Individually Designed Living Arrangement that reflects the number of residents in the facility and the range of hours provided in a week that reflect the lesser of 1) the authorized direct service hours, or 2) the actual direct service hours delivered. The Qualified Vendor may calculate the weekly direct service hours weekly, or may calculate a monthly average of weekly direct service hours at the end of the month for that month.
4. If the Qualified Vendor elects to calculate a monthly average of weekly direct service hours at the end of the month, the Qualified Vendor shall determine the total number of direct service hours in a given month and determine the average number of direct service hours per week by dividing (the total number of direct service hours in a month) by (the number of weeks in a month).
- If there are 31 days in a month, then the number of weeks in a month is 4.43
 - If there are 30 days in a month, then the number of weeks in a month is 4.29
 - If there are 29 days in a month, then the number of weeks in a month is 4.14
 - If there are 28 days in a month, then the number of weeks in a month is 4.00
5. The per diem rates paid to a Qualified Vendor with multiple sites will vary among homes according to the authorized direct service hours, actual direct service hours provided, and number of residents at each home.
6. Because direct service hours provided can vary by week (if the Qualified Vendor does not elect to calculate a monthly average of weekly direct service hours), and the number of occupants can vary both by week and within a week, the Qualified Vendor may bill more than one per diem rate for each resident on their monthly invoice, but none of the rates billed shall be in excess of the rate which reflects the number of authorized direct service hours.
7. The Qualified Vendor shall use the actual resident occupancy receiving services to determine the per diem rate to be billed to the Division. The actual resident occupancy includes all residents, whether or not they are funded by the Division. The Qualified Vendor must notify the DDD Program Administrator/Manager or designee about movement into or out of a site by any resident, whether or not funded by the Division. The Division shall determine if direct service hours will be adjusted on a temporary or permanent basis to reflect the need for direct service hours.
8. If a resident is not at the site on a particular day, the Qualified Vendor shall not bill the Division for this resident. In this situation, the Qualified Vendor shall bill the Division the per diem rate for the actual number of Division-funded residents.

Description	Unit of Service	Multiple Clients	SFY 08		Proposed ReBase
			Benchmark Rate	Adopted Rate	Benchmark Rate
Independent Living Services, Hourly					
Habilitation, Individually Designed Living Arrangement	Client Hour	1	\$20.74	\$20.74	\$22.41
Habilitation, Individually Designed Living Arrangement	Client Hour	2	\$12.96	\$12.96	\$14.01
Habilitation, Individually Designed Living Arrangement	Client Hour	3	\$10.37	\$10.37	\$11.21
Independent Living Services, Daily (Sample Rate)					
Habilitation, Individually Designed Living Arrangement*	Staff Hour	1	\$20.74	\$20.74	\$19.55
Habilitation, Individually Designed Living Arrangement*	Staff Hour	2	\$12.96	\$12.96	\$12.22
Habilitation, Individually Designed Living Arrangement*	Staff Hour	3	\$10.37	\$10.37	\$9.78

* This service was not distinct from Habilitation, IDLA, Hourly during SFY 08, the comparison is to the SFY 08 Habilitation, IDLA, Hourly Benchmark and Adopted Rates.

The element of the schedule is either new or was changed from the February 1, 2008 release

**Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Day Treatment and Training Services**

Unit of Service

1. The basis of payment for this service is the ratio rate. To determine the appropriate billing rate, the Qualified Vendor shall:
 - a. Divide (the total billable hours consumers attended the program including hours allowed pursuant to item 3 below, excluding hours for behaviorally or medically intense consumers with a specially authorized rate) by (the total direct service staff hours with consumers present at the program, excluding hours related to behaviorally or medically intense consumers with a specially authorized rate); and
 - b. Use the resulting quotient, which is the number of consumer billable hours per direct service staff hours and can be stated as "1: (result from step a.)" staff to consumer ratio, to find the appropriate staff to consumer ratio rate on the rate schedule.
 - c. The Qualified Vendor may calculate this ratio on a daily basis using actual hours for each day or may calculate the ratio at the end of the calendar month using the actual number of hours for the entire month to determine an average ratio for the month.

For example, if the number of hours attended by all consumers in a program plus the hours allowed pursuant to item 3 below (excluding behaviorally or medically intense consumers with a specially authorized rate) totaled 110 hours for a day (2,200 for the month), and the number of hours worked by direct service staff when consumers were present at the program (excluding hours related to behaviorally or medically intense consumers with a specially authorized rate) totaled 28 for that day (560 for the month), then the calculation would be:

- Total billable consumer hours divided by total direct service staff hours = $110 / 28$ or $2,200 / 560 = 3.928$
- This program's ratio for this day is 1:3.928

For both consumers and direct service staff, units shall be recorded daily on the per consumer and per direct service staff basis, shall be expressed in terms of hours and shall be rounded to the nearest hour, as illustrated in examples below:

- If total hours for a consumer or direct service staff were equal to 3 hours and 5 minutes, round the total to 3 hours
- If total hours for a consumer or direct service staff were equal to 5 hours and 24 minutes, round the total to 5 hours
- If total hours for a consumer or direct service staff were equal to 5 hours and 30 minutes, round the total to 6 hours
- If total hours for a consumer or direct service staff were equal to 6 hours and 48 minutes, round the total to 7 hours

For Day Treatment and Training, Adult:

2. Absences do not constitute a billable unit except as provided in item 3 below. An absence factor was built into the model rates. The Division will not compensate Qualified Vendors for any absences. For example, if a consumer stays in the day program for two hours in the morning, then leaves for two hours, and then returns for three hours, and all activity takes place within the same program day, total hours for this consumer shall be equal to five for that day. If the consumer permanently stops attending the Qualified Vendor's facility, then the Qualified Vendor shall notify the DDD Program Administrator/Manager or designee. The Qualified Vendor shall not bill the Division for vacancies.

3. Qualified Vendors that do not provide transportation for a particular consumer may include up to one hour per day if that consumer arrives after his/her scheduled arrival time on that day or if that consumer leaves before his/her scheduled departure time on that day. The calculation of the ratio will use the billable hours. However, if the client is absent for the entire day, the Qualified Vendor may not include hours for that day for that client in the ratio. In no event shall the Qualified Vendor submit a claim for more than the number of hours authorized for that consumer.

For Day Treatment and Training, Children:

2. Absences do not constitute a billable unit except as provided in item 3 below. An absence factor was built into the model rates. The Division will not compensate Qualified Vendors for any absences. For example, if a consumer stays in the day program for two hours in the morning, then leaves for two hours, and then returns for three hours, and all activity takes place within the same program day, total hours for this consumer shall be equal to five for that day. If the consumer permanently stops attending the Qualified Vendor's facility, then the Qualified Vendor shall notify the DDD Program Administrator/Manager or designee. The Qualified Vendor shall not bill the Division for vacancies.

3. Qualified Vendors that do not provide transportation for a particular consumer may include up to 30 minutes per day if that consumer arrives after his/her scheduled arrival time on that day or if that consumer leaves before his/her scheduled departure time on that day. The calculation of the ratio will use the billable hours. However, if the client is absent for the entire day, the Qualified Vendor may not include hours for that day for that client in the ratio. In no event shall the Qualified Vendor submit a claim for more than the number of hours authorized for that consumer.

**Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Day Treatment and Training Services**

Description	Unit of Service	SFY 08		Proposed ReBase Benchmark Rate
		Benchmark Rate	Adopted Rate	
Day Treatment and Training, Adult				
Day Treatment and Training, Adult - Staff : Consumer Ratio Of 1:2.5 To 1:4.5	Program Hour	\$10.53	\$10.53	\$9.03
Day Treatment and Training, Adult - Staff : Consumer Ratio Of 1:4.51 To 1:6.5	Program Hour	\$7.66	\$7.66	\$6.67
Day Treatment and Training, Adult - Staff : Consumer Ratio Of 1:6.51 To 1:8.5	Program Hour	\$6.33	\$6.33	\$5.57
Day Treatment and Training, Adult - Staff : Consumer Ratio Of 1:8.51 To 1:10.5	Program Hour	\$5.56	\$5.56	\$4.93
Day Treatment and Training, Children				
Day Treatment and Training, Children (After-School) - Staff : Consumer Ratio Of 1:2.5 To 1:4.5	Program Hour	\$10.16	\$10.16	\$9.60
Day Treatment and Training, Children (After-School) - Staff : Consumer Ratio Of 1:4.51 To 1:6.5	Program Hour	\$7.83	\$7.83	\$7.54
Day Treatment and Training, Children (After-School) - Staff : Consumer Ratio Of 1:6.51 To 1:8.5	Program Hour	\$6.75	\$6.75	\$6.58
Day Treatment and Training, Children (After-School) - Staff : Consumer Ratio Of 1:8.51 To 1:10.5	Program Hour	\$6.11	\$6.11	\$6.03
Day Treatment and Training, Children (Summer)				
Day Treatment and Training, Children (Summer) - Staff : Consumer Ratio Of 1:2.5 To 1:4.5	Program Hour	\$10.16	\$10.16	\$9.61
Day Treatment and Training, Children (Summer) - Staff : Consumer Ratio Of 1:4.51 To 1:6.5	Program Hour	\$7.83	\$7.83	\$7.55
Day Treatment and Training, Children (Summer) - Staff : Consumer Ratio Of 1:6.51 To 1:8.5	Program Hour	\$6.75	\$6.75	\$6.59
Day Treatment and Training, Children (Summer) - Staff : Consumer Ratio Of 1:8.51 To 1:10.5	Program Hour	\$6.11	\$6.11	\$6.04
Modified Rates				
Rural				
The Division established a separate rate for this service in the rural areas of the state. This modified rate is authorized on a program basis and has a premium over the standard rate for this service. The Qualified Vendor shall bill the Division this modified rate only after it receives authorization from the DDD Program Administrator/Manager or designee. The general guideline for authorizing the modified rate for rural areas is that the potential client base of the program size has fewer than 20 consumers in a 40 mile radius.				
Rural Day Treatment and Training, Adult - Staff : Consumer Ratio Of 1:2.5 To 1:4.5	Program Hour	\$11.69	\$11.69	\$9.65
Rural Day Treatment and Training, Adult - Staff : Consumer Ratio Of 1:4.51 To 1:6.5	Program Hour	\$8.81	\$8.81	\$7.27
Rural Day Treatment and Training, Adult - Staff : Consumer Ratio Of 1:6.51 To 1:8.5	Program Hour	\$7.51	\$7.51	\$6.16
Rural Day Treatment and Training, Adult - Staff : Consumer Ratio Of 1:8.51 To 1:10.5	Program Hour	\$6.73	\$6.73	\$5.52

**Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Day Treatment and Training Services**

Description	Unit of Service	SFY 08		Proposed ReBase Benchmark Rate
		Benchmark Rate	Adopted Rate	

Behaviorally or Medically Intense

The Division established a separate rate for this service to behaviorally or medically intense consumers. This modified rate is authorized on an individual consumer basis. Special authorization for these consumers is required by the DDD Program Administrator/Manager or designee. The hours for these consumers and the direct service staff hours shall not be considered in determining the overall program staffing ratio for the remaining consumers.

Behaviorally or Medically Intense Day Treatment and Training, Adult - Staff : Consumer Ratio Of 1:1	Program Hour	\$20.53	\$20.53	\$17.86
Behaviorally or Medically Intense Day Treatment and Training, Adult - Staff : Consumer Ratio Of 1:2	Program Hour	\$12.83	\$12.83	\$11.16
Behaviorally or Medically Intense Day Treatment and Training, Children (After-School) - Staff : Consumer Ratio Of 1:1	Program Hour	\$20.53	\$20.53	\$17.86
Behaviorally or Medically Intense Day Treatment and Training, Children (After-School) - Staff : Consumer Ratio Of 1:2	Program Hour	\$12.83	\$12.83	\$11.16
Behaviorally or Medically Intense Day Treatment and Training, Children (Summer) - Staff : Consumer Ratio Of 1:1	Program Hour	\$20.53	\$20.53	\$17.86
Behaviorally or Medically Intense Day Treatment and Training, Children (Summer) - Staff : Consumer Ratio Of 1:2	Program Hour	\$12.83	\$12.83	\$11.16

The element of the schedule is either new or was changed from the February 1, 2008 release

Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Developmental Home Services

Unit of Service

1. For the Developmental Home services, one unit of service equals one day (24 hours) of service time. A day begins at midnight and ends at 11:59 p.m. Unit of service includes transportation time spent with consumers during daily activities.
2. For Room and Board, one unit equals one day (24 hours). If the consumer is a resident at 11:59 p.m. on a given day, the Qualified Vendor may bill that day for that consumer.
3. For Incontinence Supplies and Nutritional Supplements, the Qualified Vendor will be paid these modified rates only for those residents that require them and when payment of these modified rates has been approved by the Division.

Description	Unit of Service	District	Contracted Capacity	Actual Occupancy	SFY 08		Proposed ReBase
					Benchmark Rate	Adopted Rate	Benchmark Rate
Developmental Home Services							
Habilitation, Vendor Supported Developmental Home (Adult)	Day	All	N/A	N/A	\$107.83	\$109.75	\$100.52
Habilitation, Vendor Supported Developmental Home (Adult) with Nutrituional Supplement	Day	All	N/A	N/A	\$111.83	\$113.75	\$104.52
Habilitation, Vendor Supported Developmental Home (Adult) with Incontinence Supplies	Day	All	N/A	N/A	\$110.83	\$112.75	\$104.02
Habilitation, Vendor Supported Developmental Home (Adult) with Nutrituional Supplement & Incontinence Supplies	Day	All	N/A	N/A	\$114.83	\$116.75	\$108.02
Habilitation, Vendor Supported Developmental Home (Child)	Day	All	N/A	N/A	\$109.98	\$111.95	\$100.68
Habilitation, Vendor Supported Developmental Home (Child) with Nutrituional Supplement	Day	All	N/A	N/A	\$113.98	\$115.95	\$104.68
Habilitation, Vendor Supported Developmental Home (Child) with Incontinence Supplies	Day	All	N/A	N/A	\$112.98	\$114.95	\$104.18
Habilitation, Vendor Supported Developmental Home (Child) with Nutrituional Supplement & Incontinence Supplies	Day	All	N/A	N/A	\$116.98	\$118.95	\$108.18
Room and Board, Vendor Supported Developmental Home (Adult)	Day	All	N/A	N/A	\$13.53	\$13.53	\$13.75
Room and Board, Vendor Supported Developmental Home (Child)	Day	All	N/A	N/A	\$13.53	\$13.53	\$12.77

The element of the schedule is either new or was changed from the February 1, 2008 release

Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Group Home Services

Unit of Service

1. For the Group Home services, one unit of service equals one hour (60 minutes) of direct service time. Direct service time is the period of time spent with or on behalf of the consumer and can be verified by consumer attendance records and includes transportation time spent with consumers during daily activities. This unit of service is converted to a daily rate for billing purposes.
2. For Room and Board, All Group Home, one unit equals one day (24 hours). If the consumer is a resident at 11:59 p.m. on a given day, the Qualified Vendor may bill that day for that consumer.
3. For Incontinence Supplies and Nutritional Supplements, the Qualified Vendor will be paid these modified rates only for those residents that require them and when payment of these modified rates has been approved by the Division.

Description	Unit of Service	District	Contracted Capacity	Actual Occupancy	SFY 08		Proposed ReBase
					Benchmark Rate	Adopted Rate	Benchmark Rate
Group Home Services*							
Habilitation, Group Home*	Staff Hour	All	N/A	N/A	\$19.39	\$19.39	\$20.34

* The "Adopted" staff hourly rate is used to determine the Daily Rates billed for this service based upon weekly staff hours provided to consumer(s).

Room and Board, All Group Homes

Room and Board, All Group Homes	Day	1	1	1	\$39.96	\$39.96	\$43.47
Room and Board, All Group Homes	Day	1	2	1	\$43.18	\$43.18	\$49.10
Room and Board, All Group Homes	Day	1	2	2	\$25.90	\$25.90	\$29.18
Room and Board, All Group Homes	Day	1	3	1	\$52.85	\$52.85	\$63.46
Room and Board, All Group Homes	Day	1	3	2	\$30.69	\$30.69	\$36.28
Room and Board, All Group Homes	Day	1	3	3	\$23.30	\$23.30	\$27.22
Room and Board, All Group Homes	Day	1	4	1	\$57.64	\$57.64	\$72.67
Room and Board, All Group Homes	Day	1	4	2	\$33.06	\$33.06	\$40.84
Room and Board, All Group Homes	Day	1	4	3	\$24.87	\$24.87	\$30.23
Room and Board, All Group Homes	Day	1	4	4	\$20.77	\$20.77	\$24.93
Room and Board, All Group Homes	Day	1	5	1	\$67.23	\$67.23	\$82.55
Room and Board, All Group Homes	Day	1	5	2	\$37.84	\$37.84	\$45.76
Room and Board, All Group Homes	Day	1	5	3	\$28.06	\$28.06	\$33.49
Room and Board, All Group Homes	Day	1	5	4	\$23.16	\$23.16	\$27.36
Room and Board, All Group Homes	Day	1	5	5	\$20.21	\$20.21	\$23.68
Room and Board, All Group Homes	Day	1	6	1	\$71.57	\$71.57	\$92.49
Room and Board, All Group Homes	Day	1	6	2	\$40.00	\$40.00	\$50.71
Room and Board, All Group Homes	Day	1	6	3	\$29.49	\$29.49	\$36.78
Room and Board, All Group Homes	Day	1	6	4	\$24.23	\$24.23	\$29.82
Room and Board, All Group Homes	Day	1	6	5	\$21.06	\$21.06	\$25.64
Room and Board, All Group Homes	Day	1	6	6	\$18.96	\$18.96	\$22.86

**Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Group Home Services**

Description	Unit of Service	District	Contracted Capacity	Actual Occupancy	SFY 08		Proposed ReBase Benchmark Rate
					Benchmark Rate	Adopted Rate	
Room and Board, All Group Homes	Day	2	1	1	\$35.18	\$35.18	\$37.99
Room and Board, All Group Homes	Day	2	2	1	\$38.48	\$38.48	\$43.95
Room and Board, All Group Homes	Day	2	2	2	\$23.55	\$23.55	\$26.61
Room and Board, All Group Homes	Day	2	3	1	\$47.34	\$47.34	\$59.02
Room and Board, All Group Homes	Day	2	3	2	\$27.94	\$27.94	\$34.06
Room and Board, All Group Homes	Day	2	3	3	\$21.47	\$21.47	\$25.74
Room and Board, All Group Homes	Day	2	4	1	\$51.45	\$51.45	\$62.16
Room and Board, All Group Homes	Day	2	4	2	\$29.97	\$29.97	\$35.59
Room and Board, All Group Homes	Day	2	4	3	\$22.80	\$22.80	\$26.73
Room and Board, All Group Homes	Day	2	4	4	\$19.22	\$19.22	\$22.30
Room and Board, All Group Homes	Day	2	5	1	\$59.70	\$59.70	\$69.74
Room and Board, All Group Homes	Day	2	5	2	\$34.08	\$34.08	\$39.35
Room and Board, All Group Homes	Day	2	5	3	\$25.54	\$25.54	\$29.22
Room and Board, All Group Homes	Day	2	5	4	\$21.27	\$21.27	\$24.16
Room and Board, All Group Homes	Day	2	5	5	\$18.71	\$18.71	\$21.12
Room and Board, All Group Homes	Day	2	6	1	\$63.44	\$63.44	\$77.38
Room and Board, All Group Homes	Day	2	6	2	\$35.95	\$35.95	\$43.15
Room and Board, All Group Homes	Day	2	6	3	\$26.77	\$26.77	\$31.75
Room and Board, All Group Homes	Day	2	6	4	\$22.19	\$22.19	\$26.04
Room and Board, All Group Homes	Day	2	6	5	\$19.44	\$19.44	\$22.62
Room and Board, All Group Homes	Day	2	6	6	\$17.61	\$17.61	\$20.34
Room and Board, All Group Homes	Day	3	1	1	\$40.67	\$40.67	\$47.05
Room and Board, All Group Homes	Day	3	2	1	\$44.48	\$44.48	\$51.29
Room and Board, All Group Homes	Day	3	2	2	\$26.56	\$26.56	\$30.28
Room and Board, All Group Homes	Day	3	3	1	\$54.33	\$54.33	\$61.28
Room and Board, All Group Homes	Day	3	3	2	\$31.43	\$31.43	\$35.19
Room and Board, All Group Homes	Day	3	3	3	\$23.80	\$23.80	\$26.49
Room and Board, All Group Homes	Day	3	4	1	\$59.36	\$59.36	\$72.81
Room and Board, All Group Homes	Day	3	4	2	\$33.92	\$33.92	\$40.91
Room and Board, All Group Homes	Day	3	4	3	\$25.44	\$25.44	\$30.29
Room and Board, All Group Homes	Day	3	4	4	\$21.20	\$21.20	\$24.96
Room and Board, All Group Homes	Day	3	5	1	\$69.19	\$69.19	\$81.55
Room and Board, All Group Homes	Day	3	5	2	\$38.82	\$38.82	\$45.26
Room and Board, All Group Homes	Day	3	5	3	\$28.70	\$28.70	\$33.16
Room and Board, All Group Homes	Day	3	5	4	\$23.65	\$23.65	\$27.11
Room and Board, All Group Homes	Day	3	5	5	\$20.61	\$20.61	\$23.48
Room and Board, All Group Homes	Day	3	6	1	\$73.78	\$73.78	\$90.34
Room and Board, All Group Homes	Day	3	6	2	\$41.11	\$41.11	\$49.64
Room and Board, All Group Homes	Day	3	6	3	\$30.22	\$30.22	\$36.07
Room and Board, All Group Homes	Day	3	6	4	\$24.77	\$24.77	\$29.28
Room and Board, All Group Homes	Day	3	6	5	\$21.51	\$21.51	\$25.21
Room and Board, All Group Homes	Day	3	6	6	\$19.33	\$19.33	\$22.50

**Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Group Home Services**

Description	Unit of Service	District	Contracted Capacity	Actual Occupancy	SFY 08		Proposed ReBase Benchmark Rate
					Benchmark Rate	Adopted Rate	
Room and Board, All Group Homes	Day	4, 5, 6	1	1	\$33.88	\$33.88	\$38.71
Room and Board, All Group Homes	Day	4, 5, 6	2	1	\$36.96	\$36.96	\$43.13
Room and Board, All Group Homes	Day	4, 5, 6	2	2	\$22.79	\$22.79	\$26.20
Room and Board, All Group Homes	Day	4, 5, 6	3	1	\$45.24	\$45.24	\$57.17
Room and Board, All Group Homes	Day	4, 5, 6	3	2	\$26.90	\$26.90	\$33.13
Room and Board, All Group Homes	Day	4, 5, 6	3	3	\$20.78	\$20.78	\$25.12
Room and Board, All Group Homes	Day	4, 5, 6	4	1	\$47.20	\$47.20	\$66.33
Room and Board, All Group Homes	Day	4, 5, 6	4	2	\$27.85	\$27.85	\$37.67
Room and Board, All Group Homes	Day	4, 5, 6	4	3	\$21.39	\$21.39	\$28.12
Room and Board, All Group Homes	Day	4, 5, 6	4	4	\$18.17	\$18.17	\$23.34
Room and Board, All Group Homes	Day	4, 5, 6	5	1	\$52.76	\$52.76	\$70.27
Room and Board, All Group Homes	Day	4, 5, 6	5	2	\$30.61	\$30.61	\$39.62
Room and Board, All Group Homes	Day	4, 5, 6	5	3	\$23.22	\$23.22	\$29.40
Room and Board, All Group Homes	Day	4, 5, 6	5	4	\$19.53	\$19.53	\$24.29
Room and Board, All Group Homes	Day	4, 5, 6	5	5	\$17.32	\$17.32	\$21.23
Room and Board, All Group Homes	Day	4, 5, 6	6	1	\$55.41	\$55.41	\$78.32
Room and Board, All Group Homes	Day	4, 5, 6	6	2	\$31.92	\$31.92	\$43.62
Room and Board, All Group Homes	Day	4, 5, 6	6	3	\$24.10	\$24.10	\$32.06
Room and Board, All Group Homes	Day	4, 5, 6	6	4	\$20.18	\$20.18	\$26.28
Room and Board, All Group Homes	Day	4, 5, 6	6	5	\$17.84	\$17.84	\$22.81
Room and Board, All Group Homes	Day	4, 5, 6	6	6	\$16.27	\$16.27	\$20.49

The element of the schedule is either new or was changed from the February 1, 2008 release

Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Professional Services

Unit of Service

1. For Home Health Aide and Nursing Services:

1.1 The basis of payment for all Services is an hourly unit of direct service time. Direct service time is the period of time spent with or on behalf of the consumer and verified by the consumer. When billing, the Qualified Vendor should round its direct service time to the nearest 15-minute increment, as illustrated in the examples below:

- If services were provided for 65 minutes, bill for 1 hour.
- If services were provided for 68 minutes, bill for 1.25 hour.
- If services were provided for 50 minutes, bill for .75 hour.

1.2 If the Qualified Vendor provides nursing for more than two hours in duration or multiple visits totaling more than four hours in one day, this is considered to be Nursing, Long-Term. A Qualified Vendor billing for Nursing, Long-Term shall bill for the appropriate number of units of service at the published rate.

Description	Unit of Service	Multiple Clients	SFY 08		Proposed ReBase
			Benchmark Rate	Adopted Rate	Benchmark Rate
Home Health Aide					
Home Health Aide	Client Hour	1	\$19.01	\$19.01	\$20.77
Home Health Aide	Client Hour	2	\$11.88	\$11.88	\$12.98
Home Health Aide	Client Hour	3	\$9.51	\$9.51	\$10.39

Nursing, Short-Term

Nursing, Short-Term (Maricopa, Pima & Pinal Counties)	Client Hour	1	\$40.57	\$40.57	\$44.73
Nursing, Short-Term (Maricopa, Pima & Pinal Counties)	Client Hour	2	\$25.36	\$25.36	\$27.96
Nursing, Short-Term (Maricopa, Pima & Pinal Counties)	Client Hour	3	\$20.29	\$20.29	\$22.37
Nursing, Short-Term (All Other Counties)	Client Hour	1	\$40.57	\$40.57	\$48.76
Nursing, Short-Term (All Other Counties)	Client Hour	2	\$25.36	\$25.36	\$30.48
Nursing, Short-Term (All Other Counties)	Client Hour	3	\$20.29	\$20.29	\$24.38

If Nursing, Short-Term is provided by a single direct service staff person to more than 3 consumers at the same time, the Qualified Vendor should contact their District Program Manager or Designee to obtain the proper rate to bill.

Nursing, Long-Term ¹

Nursing, Long-Term (Maricopa, Pima & Pinal Counties)	Client Hour	1	\$40.57	\$40.57	\$42.25
Nursing, Long-Term (Maricopa, Pima & Pinal Counties)	Client Hour	2	\$25.36	\$25.36	\$26.41
Nursing, Long-Term (Maricopa, Pima & Pinal Counties)	Client Hour	3	\$20.29	\$20.29	\$21.13
Nursing, Long-Term (All Other Counties)	Client Hour	1	\$40.57	\$40.57	\$46.05
Nursing, Long-Term (All Other Counties)	Client Hour	2	\$25.36	\$25.36	\$28.78
Nursing, Long-Term (All Other Counties)	Client Hour	3	\$20.29	\$20.29	\$23.03

¹ The amounts presented for SFY 08 Benchmark/Adopted Rates are the 'Effective Hourly' rates based upon Nursing, Continuous at 16 hours.

If Nursing, Long-Term is provided by a single direct service staff person to more than 3 consumers at the same time, the Qualified Vendor should contact their District Program Manager or Designee to obtain the proper rate to bill.

The element of the schedule is either new or was changed from the February 1, 2008 release

Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Specialized Habilitation Services

Unit of Service

1. The basis of payment for *Specialized Habilitation with Music* Component is an hourly unit of direct service time. Direct service time is the period of time spent with or on behalf of the consumer and verified by the consumer. When billing, the Qualified Vendor should round its direct service time to the nearest 15-minute increment, as illustrated in the examples below:

- If services were provided for 65 minutes, bill for 1 hour.
- If services were provided for 68 minutes, bill for 1.25 hour.
- If services were provided for 50 minutes, bill for .75 hour.

2. If the Qualified Vendor provides *Specialized Habilitation with Music Component* with a single direct service staff person to multiple consumers at the same time, the basis of payment for each consumer will be the total direct service time multiplied by the appropriate multiple client rate for the same unit of service. In no event will more than three consumers receive this service with a single direct service staff person at the same time.

Description	Unit of Service	Multiple Clients	SFY 08		Proposed ReBase Benchmark Rate
			Benchmark Rate	Adopted Rate	
Specialized Habilitation with Music Component					
Specialized Habilitation with Music Component	Client Hour	1	\$40.10	\$40.10	\$40.67
Specialized Habilitation with Music Component	Client Hour	2	\$25.06	\$25.06	\$25.42
Specialized Habilitation with Music Component	Client Hour	3	\$20.05	\$20.05	\$20.34

The element of the schedule is either new or was changed from the February 1, 2008 release

**Arizona Department of Economic Security, Division of Developmental Disabilities
SFY 08 Benchmark and Adopted Rates Compared to Proposed Rebase Benchmark Rates
Transportation Services**

Rates

1. Separate urban and rural rates and procedure codes are established for transportation services. Except for "Flat Trip Rate for Regularly Scheduled Daily Transportation" and "Employment Related Transportation," urban transports are those that originate within the Phoenix and Tucson metropolitan areas. All other transports that are not "Flat Trip Rate for Regularly Scheduled Daily Transportation" or "Employment Related Transportation" are defined as rural.
2. The "Flat Trip Rate for Regularly Scheduled Daily Transportation," "Employment Related Transportation" and exceptional transportation modified rates can only be used, and shall be the only rate used, for transportation of a consumer to a day treatment or employment program by a Qualified Vendor that is not an independent provider.
3. Separate urban and rural rates are established for the "Flat Trip Rate for Regularly Scheduled Daily Transportation." The Qualified Vendor shall bill the Division the rural rate only after it receives authorization from the DDD Program Administrator/Manager or designee. The general guideline for authorizing the rural "Flat Trip Rate for Regularly Scheduled Daily Transportation" rate for rural areas is that the potential Day Treatment and Training client base of the program size has fewer than 20 consumers in a 40 mile radius.

Unit of Service

1. One unit of service equals one trip per person one way, one mile of traveled distance, or 30 minutes of waiting time.
2. Mileage reimbursement is limited to loaded mileage. Loaded mileage is the distance traveled, measured in statute miles, while a consumer is on board and being transported.

Description	Location / Density	Unit of Service	SFY 08		Proposed ReBase
			Benchmark Rate	Adopted Rate	Benchmark Rate
Other Transportation Services					
Flat Trip Rate for Regularly Scheduled Daily Transportation (Adult)*	Urban	Per Trip	\$9.09	\$10.03	\$10.64
Flat Trip Rate for Regularly Scheduled Daily Transportation (Child)*	Urban	Per Trip	\$9.09	\$10.03	\$10.42
Flat Trip Rate for Regularly Scheduled Daily Transportation*	Rural	Per Trip	\$12.13	\$14.29	\$18.12
Transportation Aide for non-Regularly Scheduled Daily Transportation ONLY	Both	Client Hour	Minimum Wage**	Minimum Wage**	Minimum Wage**

* For SFY 08 the adopted rate is higher than the benchmark rate due to an adjustment for higher mileage cost. This adjustment is temporary until further notice from the DES/DDD Assistant Director.

** As of the date of publication, the State of Arizona minimum wage for covered nonexempt employees is \$6.90 an hour.

RebaseBook 2008

Appendix 1

Analysis of Market Wages for HCBS Services

July 11, 2008

APPENDIX 1

Analysis of Market Wages for HCBS Services

Introduction

As part of the Rate Rebase Project for the Division of Developmental Disabilities (Division), Mercer Government Human Services Consulting (Mercer) completed a market analysis of current wages for direct support workers. Mercer utilized specialized compensation consultants to appropriately match and price direct support positions that align with the job descriptions outlined in each HCBS service description. The methodology used for market pricing jobs can be broken down into five key steps, which are outlined below. After completion of the pricing analysis Mercer, with input from the consultant work group (CWG), compared the resulting wages to the wage amounts in the current system as reported by providers. In addition, Mercer compared the analysis to wage assumptions in the rebased rate models, and previous wage assumptions from prior rate models. Our ultimate goal was to determine the appropriateness of the base staff hourly wage within the rebased HCBS models.

Market Pricing Analysis

The high-level steps used to develop a market wage price point for each service are as follows:

- ❑ Choosing the Relevant Comparison Market – When defining the appropriate market for the compensation assessment, Mercer considers the industries and geographic locations from which an organization hires employees, as well as where employees might otherwise work. For this study, Mercer determined that Arizona and surrounding states would represent the most appropriate geographic location and that the health care, social services, education and retail industries would be the most appropriate to capture the direct support work qualifications.
- ❑ Selecting the Appropriate Survey Source – Mercer’s policy is to use multiple survey sources (including surveys produced by Mercer, as well as those not produced by Mercer) for each benchmark job in order to enhance the credibility of the data analysis. In general, the criterion for survey selection includes: survey age, matching job descriptions, sample size, relevant markets and survey statistics. For the direct support worker analysis, the following source surveys were used: Economic Research Institute, Mercer Human Resource Consulting 2006 Integrated Health Network Compensation Survey, U.S. Department of Labor Bureau of Labor Statistics, Watson Wyatt 2006/2007 Hospital & Healthcare Professional, Nursing & Allied Services Personnel Compensation Report, Mercer Human Resource Consulting 2006 US Retail Compensation and Benefits Survey, and Hospital & Healthcare Compensation Service 2003-2004 Homecare Salary & Benefits Report.

- ❑ Job Matching Process– Once the relevant market comparisons and appropriate survey sources are selected, the critical next step is properly matching the jobs to those in the surveys. Matching jobs to the market involves comparing the survey job descriptions to both the service descriptions and the Division’s goals for service delivery. Mercer’s methodology requires that positions are matched on job content, not titles. After determining the job descriptions, Mercer and the CWG combined like job descriptions into five major job classes: housekeepers, RNs and LPNs, home health, HCBS-related positions, and other social services positions.
- ❑ Adjust the Survey Data
 - Normalize the Survey Data: It was necessary to make adjustments to the available survey data to normalize wage data to Arizona’s business environment. As such, a geographical modifier was applied to survey results developed outside of the Arizona marketplace. A modifier of 0.82 was applied to wage data developed on West Coast states, as this information included California data which generally has higher wages than Arizona.
 - “Age” the Survey Data: Salaries in the market constantly change due to merit and promotion increases, as well as new hires and terminations. In addition, surveys are conducted at different times during the year, resulting in data that is current as of different dates. Therefore, Mercer’s methodology calls for a snapshot approach which requires that data from the surveys be “aged” to a common point in time, December 31, 2008 (the midpoint of SFY08-09). To adjust the wages to the proper timeframe, wage data was inflated to utilizing factors obtained from Global Insight, Home Health Agency Market Basket - Quarterly History (2nd quarter 2007 edition).
- ❑ Developing Market Composites – Once the positions were matched to the market and the survey data was aged, Mercer combined the data into a single “market composite” by weighting each position and job class according to the Division’s expectation of tasks performed during service delivery. Weighting different positions and job classes together based on service delivery ensures the correct direct support workforce is modeled for each HCBS service. Thus, the resulting wage percentiles are composites of several job descriptions and job class percentiles, and represent Mercer’s expectation of the marketplace for each service.

Wage Comparisons and Adequacy

To ensure the appropriateness of the selected wages for each service in the rate re-basing process, the Division and CWG compared the market wage analysis to wage assumptions in the rebased rate models, previous wage assumptions from prior rate models, and provider survey data. Our ultimate goal was to determine the appropriateness of the base staff hourly wage within the rebased HCBS models.

A graphic representation of each wage source is depicted in Table 1 following the narrative.

- ❑ Current system – The CWG compared average provider wages (weighted by full-time equivalent employees) to the market wage analysis. Actual provider wage data was gathered by the Division through a comprehensive cost survey as part rate rebasing initiative. This comparison yielded the following generalized results:
 - Providers are paying well above the 75th percentile for Housekeeping Services
 - Providers are paying above the 25th percentile and near the 50th percentile for Attendant and Respite Care Services
 - Providers are paying well below 25th percentile for Day Treatment and Training Services
 - Providers are paying well below 25th percentile for Group Home and Habilitation Services
 - Providers are paying above the 25th percentile for Adult Developmental Home Services and above the 50th percentile for Child Developmental Home Services
 - Providers are paying below the 25th percentile for Nursing Services
 - Provider data was not collected for Home Health Aide or Community Protection and Treatment Services

- ❑ Rebased rate models – The CWG compared wages used in the rebased models to the market wage analysis. In order to preserve the transparency of the rate structure, the CWG and Division choose to use the Bureau of Labor Statistics (BLS), a nationally accepted and widely available source, to determine wage decision points. The wages selected for use within the model was based upon data obtained from the Bureau of Labor Statistics as of May 2006. This comparison yields the following generalized results:
 - The rebased model wages are just above the 50th percentile for Housekeeping
 - The rebased model wages are at the 25th percentile for Home Health Aide Services
 - The rebased model wages are above the 25th percentile for Attendant and Respite Care Services
 - The rebased model wages are above 25th percentile for Day Treatment and Training Services
 - The rebased model wages are above 25th percentile for Group Home and Habilitation Services
 - The rebased model wages are near the 50th percentile for or Community Protection and Treatment Services
 - The rebased model wages are above the 50th percentile for Adult Developmental Home Services and Child Developmental Home Services
 - The rebased models are above the 25th percentile for Nursing Services

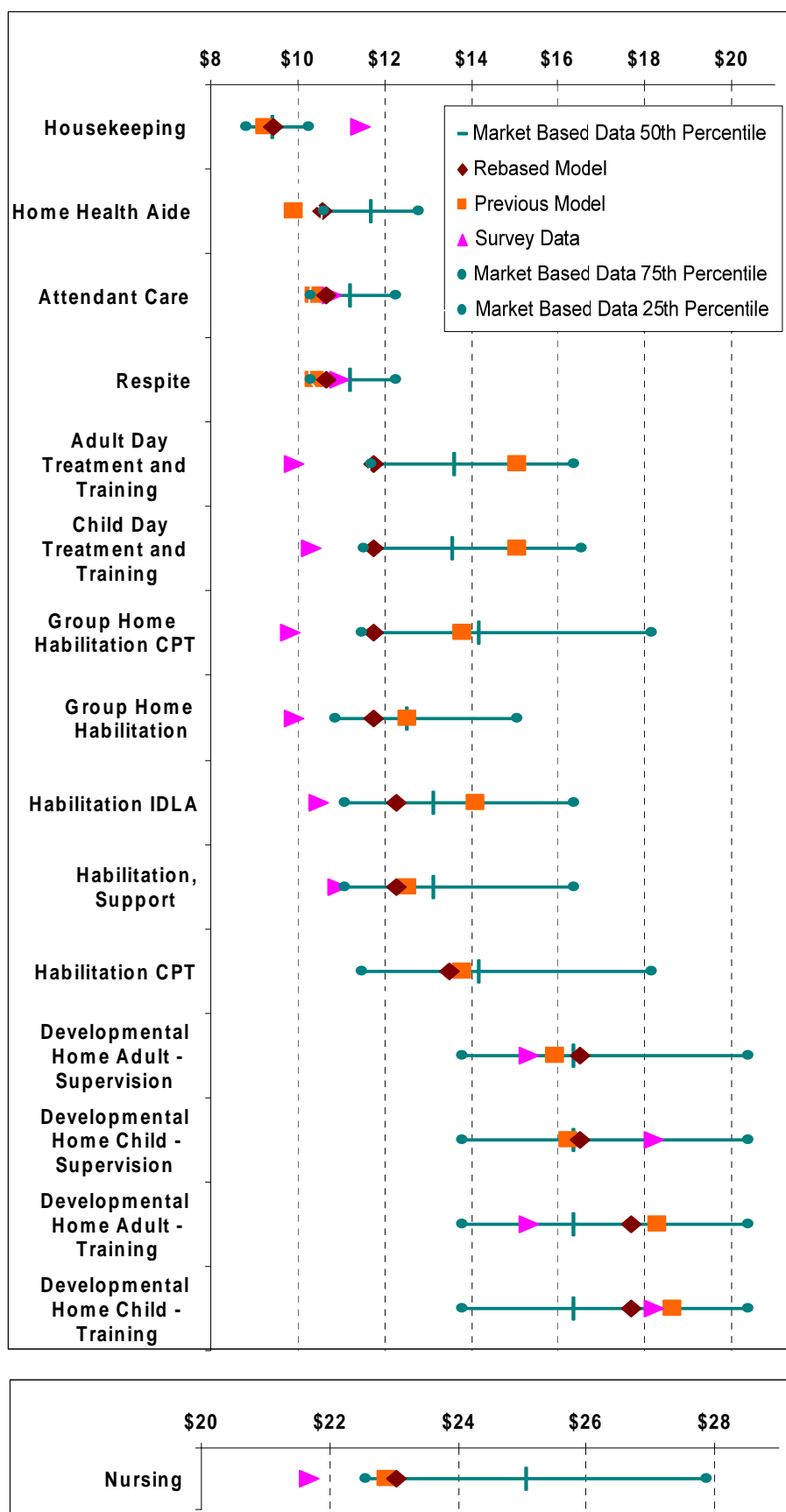
- ❑ Rate models prior to rebasing –The previous rate models used different job classifications and job weightings to establish wages than the current rebased models. As part of the rebasing model design, program administrator wages (included in the SFY04 model salaries) are now included in the program support element of the rate, and has been removed from the direct support salaries. Comparing the previous model wage assumptions to the market wage analysis yielded the following generalized results:
 - The previous model wages were below the 50 percentile for Housekeeping Services
 - The previous model wages were below the 25 percentile for Home Health Aide Services

- The previous model wages were above the 25th percentile a Attendant and Respite Care Services
- The previous model wages were significantly above the 50th percentile for Day Treatment and Training Services
- The previous model wages were near the 50th percentile for Group Home and Habilitation Services
- The previous model wages were near the 50th percentile for Adult Developmental Home Services and significantly above the 50th percentile for Child Developmental Home Services
- The previous model wages were just above the 25th percentile for Nursing Services

Conclusions

Based on this review of all available data sources, the direct support staff base hourly wages within the rebased HCBS models are reasonable and fair for Arizona's HCBS marketplace. In general, the wages in the rebased HCBS models are equal to or higher than the current salaries being paid by providers. The Division should also do more analysis and seek to improve direct support staff wages in those services with the largest variance, such as Day Treatment and Training and Habilitation services.

Table 1. Comparison of Cost Survey and Rebased Rate Model Wages Versus Market Analysis



RebaseBook

Appendix 2

Derivation of Rebase Wage Levels

July 11, 2008

Appendix 2
Derivation of Rebase Wage Levels

Base Wage Data	Home & Community Based						Day Treatment & Training	
	Attendant Care	Habilitation, Community Protection and Treatment Hourly	Habilitation, Support	Housekeeping	Respite, Hourly & Continuous	Habilitation, Individually Designed Living Arrangement	Adult Day Treatment and Training	Child Day Treatment and Training
Current Model	\$9.12	\$12.09	\$10.99	\$8.09	\$9.12	\$12.36	\$13.22	\$13.22
Survey Response ¹	\$10.37	NA	\$10.52	\$11.00	\$10.56	\$10.09	\$9.54	\$9.92
BLS Wages								
Current Job Mix	\$9.79	\$11.84	\$11.84	\$8.69	\$9.79	\$13.39	\$15.54	\$15.54
Revised Job Mix	\$9.79	\$11.26	\$10.28	\$8.69	\$9.79	\$10.28	\$10.28	\$10.28

Inflated Wage Data ²	Home & Community Based						Day Treatment & Training	
	Attendant Care	Habilitation, Community Protection and Treatment Hourly	Habilitation, Support	Housekeeping	Respite, Hourly & Continuous	Habilitation, Individually Designed Living Arrangement	Adult Day Treatment and Training	Child Day Treatment and Training
Current Model	\$10.37	\$13.74	\$12.49	\$9.20	\$10.37	\$14.05	\$15.03	\$15.03
Survey Response ¹	\$10.79	NA	\$10.94	\$11.44	\$10.98	\$10.50	\$9.92	\$10.32
BLS Wages (Mean)								
Rebase Model Wage	\$10.66	\$13.49	\$12.26	\$9.46	\$10.66	\$12.26	\$11.73	\$11.73
% of Current Model	102.8%	98.2%	98.2%	102.8%	102.8%	87.3%	78.0%	78.0%
% of Survey Response	98.8%	NA	112.1%	82.7%	97.1%	116.8%	118.2%	113.7%
% of BLS 50th %-ile	102.7%	117.3%	106.6%	104.4%	102.7%	106.6%	105.4%	105.4%
% of Market 50th %-ile	95.2%	95.2%	93.6%	100.9%	95.2%	93.6%	86.4%	86.6%
Market Wage Data								
50th percentile	\$11.20	\$14.17	\$13.10	\$9.38	\$11.20	\$13.10	\$13.57	\$13.54
25th percentile	\$10.24	\$11.47	\$11.04	\$8.77	\$10.24	\$11.04	\$11.65	\$11.49

NA = No Responses Provided/No Data

¹ Survey Response are figures calculated as the Weighted Average (by Service FTE) for all providers (Supervisors & Non-Supervisors) including overtime.

² Inflated Wage Data represents data inflated to 12/31/08 (01/01/09)

Base Wage Data	Developmental Home				Group Home			Professional		Other
	Developmental Home, Child ¹	Developmental Home, Child ²	Developmental Home, Adult ¹	Developmental Home, Adult ²	Habilitation, Community Protection & Treatment, Group Home	Habilitation, Group Home	Habilitation, Nursing Supported Group Home	Nursing	Home Health Aide	Specialized Habilitation, Music
Current Model	\$16.04	\$13.97	\$16.04	\$13.97	\$12.09	\$10.99	NA	\$20.11	\$8.67	\$20.53
Survey Response ¹	\$17.51	\$17.51	\$14.75	\$14.75	\$9.47	\$9.53	NA	\$20.84	NA	NA
BLS Wages										
Current Job Mix	\$16.26	\$15.18	\$16.26	\$15.18	\$11.84	\$11.84	NA	\$23.78	\$9.73	\$18.82
Revised Job Mix	\$16.26	\$15.18	\$16.26	\$15.18	\$10.28	\$10.28	NA	\$21.17	\$9.73	\$18.82

Inflated Wage Data ²	Developmental Home				Group Home			Professional		Other
	Developmental Home, Child ³	Developmental Home, Child ⁴	Developmental Home, Adult ³	Developmental Home, Adult ⁴	Habilitation, Community Protection & Treatment, Group Home	Habilitation, Group Home	Habilitation, Nursing Supported Group Home	Nursing	Home Health Aide	Specialized Habilitation, Music
Current Model	\$18.60	\$16.20	\$18.23	\$15.88	\$13.74	\$12.49	NA	\$22.86	\$9.86	\$23.34
Survey Response ¹	\$18.21	\$18.21	\$15.34	\$15.34	\$9.85	\$9.91	NA	\$21.68	NA	NA
BLS Wages (Mean)										
Rebase Model Wage	\$17.70	\$16.52	\$17.70	\$16.52	\$11.73	\$11.73	NA	\$23.05	\$10.59	\$20.49
% of Current Model	95.2%	102.0%	97.1%	104.0%	85.4%	93.9%	NA	100.8%	107.4%	87.8%
% of Survey Response	97.2%	90.7%	115.4%	107.7%	119.1%	118.4%	NA	106.3%	NA	NA
% of BLS 50th %-ile	99.6%	103.1%	99.6%	103.1%	105.4%	105.4%	NA	99.0%	102.0%	108.4%
% of Market 50th %-ile	108.5%	101.2%	108.5%	101.2%	82.8%	93.8%	NA	92.0%	90.7%	NA
Market Wage Data										
50th percentile	\$16.32	\$16.32	\$16.32	\$16.32	\$14.17	\$12.50	\$25.06	\$25.06	\$11.67	NA
25th percentile	\$13.74	\$13.74	\$13.74	\$13.74	\$11.47	\$10.82	\$0.00	\$12.50	\$10.59	NA

NA = No Responses Provided/No Data

¹ Survey Response are figures calculated as the Weighted Average (by Service FTE) for all providers (Supervisors & Non-Supervisors) including

² Inflated Wage Data represents data inflated to 12/31/08 (01/01/09)

³ Job Categories comprising Training Staff for Developmental Home

⁴ Job Categories comprising Supervision & Monitoring Staff for Developmental Home

**Wage Composition Table
Current Model vs. Proposed Rebase**

Services			
ATC	Attendant Care	HSK	Housekeeping
HPH	Habilitation, Community Protection & Treatment Hourly	RSP	Respite, Hourly & Continuous
HAI	Habilitation, Support	HAI	Habilitation, Individually Designed Living Arrangement

BLS DATA (Inflated to Dec 2008)

SOC Code	Description	BLS Inflated Wage			ATC			HPH			HAH			HSK			RSP			HAI		
		AZ Mean	AZ Median	AZ 25th %-ile	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$9.90	\$9.28	\$7.78										50%	50%							
37-2012	Maids and Housekeeping Cleaners	\$9.03	\$8.84	\$7.49										50%	50%							
29-1111	Registered Nurses	\$30.62	\$30.55	\$25.00																		
29-2061	Licensed Practical and Licensed Vocational Nurses	\$21.16	\$21.47	\$18.56																		
31-1011	Home Health Aides	\$10.59	\$10.38	\$8.98																		
39-9021	Personal and Home Care Aides	\$10.66	\$10.38	\$9.07	100%	100%		70%	70%		70%	70%					100%	100%		50%	70%	
21-1015	Rehabilitation Counselors	\$16.01	\$14.13	\$11.39				25%	30%		25%	30%								40%	30%	
21-1021	Child, Family, and School Social Workers	\$17.70	\$17.78	\$14.46																		
21-1091	Health Educators	\$22.34	\$19.66	\$15.11																		
21-1093	Social and Human Service Assistants	\$15.34	\$14.27	\$11.30																		
11-9151	Social and Community Service Managers	\$28.49	\$23.67	\$18.34				5%			5%									10%		
					\$10.66	\$10.66		\$14.18	\$13.49	-5%	\$12.89	\$12.26	-5%	\$9.46	\$9.46		\$10.66	\$10.66		\$14.58	\$12.26	-16%

Market Data (Dec 2008, Inflated)

Groups				ATC %	ATC 50th	ATC 25th	HPH %	HPH 50th	HPH 25th	HAH %	HAH 50th	HAH 25th	HSK %	HSK 50th	HSK 25th	RSP %	RSP 50th	RSP 25th	HAI %	HAI 50th	HAI 25th
Housekeeping				25%	\$9.57	\$9.05							100%	\$9.38	\$8.77	25%	\$9.57	\$9.05			
RNs and LPNs				5%	\$11.82	\$11.10										5%	\$11.82	\$11.10			
Home Health				70%	\$11.74	\$10.61										70%	\$11.74	\$10.61			
HCBS Related Positions							80%	\$14.36	\$11.14	80%	\$13.34	\$11.04							80%	\$13.34	\$11.04
Other Social Services							20%	\$13.41	\$12.77	20%	\$12.15	\$11.05							20%	\$12.15	\$11.05
Manager and Supervisors																					
				\$11.20	\$10.24		\$14.17	\$11.47		\$13.10	\$11.04		\$9.38	\$8.77		\$11.20	\$10.24		\$13.10	\$11.04	

Services			
DTA	Adult Day Treatment and Training	HBC	Developmental Home, Child
DTS	Child Day Treatment and Training	HBA	Developmental Home, Adult

BLS DATA (Inflated to Dec 2008)

SOC Code	Description	BLS Inflated Wage			DTA			DTS			HBC ¹			HBC ²			HBA ¹			HBA ²		
		AZ Mean	AZ Median	AZ 25th %-ile	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$9.90	\$9.28	\$7.78																		
37-2012	Maids and Housekeeping Cleaners	\$9.03	\$8.84	\$7.49																		
29-1111	Registered Nurses	\$30.62	\$30.55	\$25.00																		
29-2061	Licensed Practical and Licensed Vocational Nurses	\$21.16	\$21.47	\$18.56																		
31-1011	Home Health Aides	\$10.59	\$10.38	\$8.98																		
39-9021	Personal and Home Care Aides	\$10.66	\$10.38	\$9.07		80%			80%													
21-1015	Rehabilitation Counselors	\$16.01	\$14.13	\$11.39	40%	20%		40%	20%													
21-1021	Child, Family, and School Social Workers	\$17.70	\$17.78	\$14.46							100%	100%		50%	50%		100%	100%		50%	50%	
21-1091	Health Educators	\$22.34	\$19.66	\$15.11																		
21-1093	Social and Human Service Assistants	\$15.34	\$14.27	\$11.30	50%			50%						50%	50%					50%	50%	
11-9151	Social and Community Service Managers	\$28.49	\$23.67	\$18.34	10%			10%														
					\$16.92	\$11.73	-31%	\$18.61	\$12.90	-31%	\$17.70	\$17.70		\$16.52	\$16.52		\$17.70	\$17.70		\$16.52	\$16.52	

Market Data (Dec 2008, Inflated)

Groups				DTA	DTA	DTA	DTS	DTS	DTS	HBC1	HBC1	HBC1	HBC2	HBC2	HBC2	HBA1	HBA1	HBA1	HBA2	HBA2	HBA2
				%	50th	25th	%	50th	25th	%	50th	25th	%	50th	25th	%	50th	25th	%	50th	25th
Housekeeping																					
RNs and LPNs																					
Home Health				10%	\$11.67	\$10.59	10%	\$11.67	\$10.59												
HCBS Related Positions				70%	\$14.16	\$11.86	80%	\$14.16	\$11.86	75%	\$14.26	\$11.39	75%	\$14.26	\$11.39	75%	\$14.26	\$11.39	75%	\$14.26	\$11.39
Other Social Services				20%	\$12.47	\$11.42	10%	\$10.45	\$9.40	25%	\$22.51	\$20.77	25%	\$22.51	\$20.77	25%	\$22.51	\$20.77	25%	\$22.51	\$20.77
Manager and Supervisors																					
					\$13.57	\$11.65		\$13.54	\$11.49		\$16.32	\$13.74		\$16.32	\$13.74		\$16.32	\$13.74		\$16.32	\$13.74

¹ Job Categories comprising Training Staff for Developmental Home

² Job Categories comprising Supervision & Monitoring Staff for Developmental Home

**Wage Composition Table
Current Model vs. Proposed Rebase**

Services			
HPD	Habilitation, Community Protection & Treatment, Group Home	HNX	Nursing
HAB	Habilitation, Group Home	HHA	Home Health Aide
HAN	Habilitation, Nursing Supported Group Home	HAHM	Specialized Habilitation, Music

BLS DATA (Inflated to Dec 2008)

SOC Code	Description	BLS Inflated Wage			HPD			HAB			HAN			HNX			HHA			HAHM		
		AZ Mean	AZ Median	AZ 25th %-ile	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff	2003 Model	Proposed Rebase	% Diff
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$9.90	\$9.28	\$7.78																		
37-2012	Maids and Housekeeping Cleaners	\$9.03	\$8.84	\$7.49																		
29-1111	Registered Nurses	\$30.62	\$30.55	\$25.00										50%	20%							
29-2061	Licensed Practical and Licensed Vocational Nurses	\$21.16	\$21.47	\$18.56										50%	80%							
31-1011	Home Health Aides	\$10.59	\$10.38	\$8.98													100%	100%				
39-9021	Personal and Home Care Aides	\$10.66	\$10.38	\$9.07	70%	80%		70%	80%													
21-1015	Rehabilitation Counselors	\$16.01	\$14.13	\$11.39	25%	20%		25%	20%													
21-1021	Child, Family, and School Social Workers	\$17.70	\$17.78	\$14.46																40%	40%	
21-1091	Health Educators	\$22.34	\$19.66	\$15.11																60%	60%	
21-1093	Social and Human Service Assistants	\$15.34	\$14.27	\$11.30																		
11-9151	Social and Community Service Managers	\$28.49	\$23.67	\$18.34	5%			5%														
					\$12.89	\$11.73	-9%	\$14.18	\$12.90	-9%				\$25.89	\$23.05	-11%	\$10.59	\$10.59		\$20.49	\$20.49	

Market Data (Dec 2008, Inflated)

Groups		HPD %	HPD 50th	HPD 25th	HAB %	HAB 50th	HAB 25th	HAN %	HAN 50th	HAN 25th	HNX %	HNX 50th	HNX 25th	HHA %	HHA 50th	HHA 25th	HAHM %	HAHM 50th	HAHM 25th
Housekeeping					10%	\$9.92	\$9.67												
RNs and LPNs								100%	\$25.06	\$22.55									
Home Health					20%	\$11.74	\$10.61												
HCBS Related Positions		80%	\$14.36	\$11.14	55%	\$13.34	\$11.04												
Other Social Services		20%	\$13.41	\$12.77	15%	\$12.15	\$11.05												
Manager and Supervisors																			
			\$14.17	\$11.47		\$12.50	\$10.82		\$25.06	\$22.55		\$25.06	\$22.55		\$11.67	\$10.59			

Bureau of Labor Statistics - Source Data

Bureau of Labor Statistics Data (May 2006)

Data by SOC Code

SOC Code	Description	AZ Mean	AZ Median	AZ 25th %-ile
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$9.09	\$8.52	\$7.15
37-2012	Maids and Housekeeping Cleaners	\$8.29	\$8.12	\$6.88
29-1111	Registered Nurses	\$28.12	\$28.06	\$22.96
29-2061	Licensed Practical and Licensed Vocational Nurses	\$19.43	\$19.72	\$17.05
31-1011	Home Health Aides	\$9.73	\$9.53	\$8.25
39-9021	Personal and Home Care Aides	\$9.79	\$9.53	\$8.33
21-1015	Rehabilitation Counselors	\$14.70	\$12.98	\$10.46
21-1021	Child, Family, and School Social Workers	\$16.26	\$16.33	\$13.28
21-1091	Health Educators	\$20.52	\$18.06	\$13.88
21-1093	Social and Human Service Assistants	\$14.09	\$13.11	\$10.38
11-9151	Social and Community Service Managers	\$26.17	\$21.74	\$16.84

Bureau of Labor Statistics Data (May 2006)

Wages as a percentage of 50th %-ile (Median)

SOC Code	Description	AZ Mean	AZ Median	AZ 25th %-ile
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	106.7%	100.0%	83.9%
37-2012	Maids and Housekeeping Cleaners	102.1%	100.0%	84.7%
29-1111	Registered Nurses	100.2%	100.0%	81.8%
29-2061	Licensed Practical and Licensed Vocational Nurses	98.5%	100.0%	86.5%
31-1011	Home Health Aides	102.1%	100.0%	86.6%
39-9021	Personal and Home Care Aides	102.7%	100.0%	87.4%
21-1015	Rehabilitation Counselors	113.3%	100.0%	80.6%
21-1021	Child, Family, and School Social Workers	99.6%	100.0%	81.3%
21-1091	Health Educators	113.6%	100.0%	76.9%
21-1093	Social and Human Service Assistants	107.5%	100.0%	79.2%
11-9151	Social and Community Service Managers	120.4%	100.0%	77.5%

Bureau of Labor Statistics Data (Inflated to Dec 2008)

Data by SOC Code

SOC Code	Description	AZ Mean	AZ Median	AZ 25th %-ile
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$9.90	\$9.28	\$7.78
37-2012	Maids and Housekeeping Cleaners	\$9.03	\$8.84	\$7.49
29-1111	Registered Nurses	\$30.62	\$30.55	\$25.00
29-2061	Licensed Practical and Licensed Vocational Nurses	\$21.16	\$21.47	\$18.56
31-1011	Home Health Aides	\$10.59	\$10.38	\$8.98
39-9021	Personal and Home Care Aides	\$10.66	\$10.38	\$9.07
21-1015	Rehabilitation Counselors	\$16.01	\$14.13	\$11.39
21-1021	Child, Family, and School Social Workers	\$17.70	\$17.78	\$14.46
21-1091	Health Educators	\$22.34	\$19.66	\$15.11
21-1093	Social and Human Service Assistants	\$15.34	\$14.27	\$11.30
11-9151	Social and Community Service Managers	\$28.49	\$23.67	\$18.34

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Appendix 3

Employee Related Expense (ERE)

July 11, 2008

Appendix 3
Summary Provider Survey Results
Employee Related Expenses (ERE)

Benefit	Measurement	Provide Benefit			Unweighted Average		Average, Weighted by Direct Service FTE		Average, Weighted by Revenue		Average, Weighted by Enrollment	
		Number of Providers	Percent of Providers	Waiting Period ¹	With Outliers	Without Outliers	With Outliers	Without Outliers	With Outliers	Without Outliers	With Outliers	Without Outliers
PTO	Days per Year	24	96.0%	90 Days	20.76	20.76	18.88	17.82	21.67	21.67		
EIB	Days per Year	9	36.0%	180 Days	19.11	19.11	15.12	9.92	16.72	10.02		
Retirement Plan	Employer Contribution	1	4.0%	2 Years	8.75%	8.75%						
	Participation				100.00%	100.00%						
401k / 403b Plan	Employer Contribution	14	72.0%	1 Year	6.58%	3.24%	5.09%	3.35%	5.43%	3.37%		
	Participation				32.38%	32.38%	37.13%	37.13%	35.54%	35.54%		
Health Insurance	Employer Contribution	23	92.0%	90 Days	\$292.41	\$273.62	\$274.55	\$299.33	\$278.88	\$287.99	\$282.88	\$279.44
Dental	Employer Contribution	12	48.0%	90 Days	\$19.76	\$15.92	\$13.75	\$13.64	\$14.49	\$13.39	\$14.89	\$14.48
Vision	Employer Contribution	4	16.0%	60 Days	\$10.37	\$10.37	\$2.00	\$1.62	\$3.39	\$2.06	\$2.74	\$2.03
Long Term Disability	Employer Contribution	5	20.0%	90 Days	\$67.21	\$67.21	\$36.89	\$28.25	\$49.98	\$38.59	\$56.33	\$50.87
Short Term Disability	Employer Contribution	5	20.0%	90 Days	\$52.13	\$52.13	\$27.23	\$13.36	\$36.32	\$15.14	\$60.42	\$60.42
Employee Asst Prog	Employer Contribution	4	16.0%	90 Days	\$1.42	\$1.42	\$0.94	\$0.87	\$1.04	\$0.93	\$1.63	\$1.63
Other	Employer Contribution	12	48.0%	90 Days	\$48.92	\$21.57	\$14.05	\$10.17	\$22.49	\$14.98	\$24.74	\$21.98
FUTA/SUTA	Rate				2.23%	1.32%	0.99%	0.79%	0.95%	0.53%		
Workers Compensation	Rate				2.23%	1.94%	1.70%	1.99%	1.82%	1.77%		

¹ Waiting Period corresponds with at least 50% cumulative responses.

Note: Bolded values are those determined by the Consultant Work Group as the most representative of the information reported within the survey

**Summary of Estimated Employee Related Expenses (ERE) & Percentage of Wages
Provider Survey Results**

Employee Related Expense (ERE) Assumptions - Based on Provider Survey Results

Hourly Rate Annual Wage ¹	\$9.00		\$11.00		\$12.00		\$13.00		\$14.00		\$16.00		\$17.00	
	\$18,720		\$22,880		\$24,960		\$27,040		\$29,120		\$33,280		\$35,360	
FUTA / SUTA ²	0.53%	\$37 0.20%	\$37 0.16%		\$37 0.15%		\$37 0.14%		\$37 0.13%		\$37 0.11%		\$37 0.10%	
FICA ³	7.65%	\$1,432 7.65%	\$1,750 7.65%		\$1,909 7.65%		\$2,069 7.65%		\$2,228 7.65%		\$2,546 7.65%		\$2,705 7.65%	
Workers' Compensation	1.77%	\$331 1.77%	\$405 1.77%		\$442 1.77%		\$479 1.77%		\$515 1.77%		\$589 1.77%		\$626 1.77%	
Legally required benefits	9.95%	\$1,801 9.62%	\$2,192 9.58%		\$2,388 9.57%		\$2,584 9.56%		\$2,780 9.55%		\$3,172 9.53%		\$3,368 9.52%	
Paid Time Off ⁴	22 days/yr	\$1,584 8.46%	\$1,936 8.46%		\$2,112 8.46%		\$2,288 8.46%		\$2,464 8.46%		\$2,816 8.46%		\$2,992 8.46%	
Extended Illness Benefit ⁵	0 days/yr	\$0 0.00%	\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%	
Other Benefits														
Retirement Plan ⁶	3.37%	\$631 3.37%	\$771 3.37%		\$841 3.37%		\$911 3.37%		\$981 3.37%		\$1,122 3.37%		\$1,192 3.37%	
Health Insurance	\$287.99	\$3,456 18.46%	\$3,456 15.10%		\$3,456 13.85%		\$3,456 12.78%		\$3,456 11.87%		\$3,456 10.38%		\$3,456 9.77%	
Dental Insurance	\$13.39	\$161 0.86%	\$161 0.70%		\$161 0.64%		\$161 0.59%		\$161 0.55%		\$161 0.48%		\$161 0.45%	
Vision Insurance	\$2.06	\$25 0.13%	\$25 0.11%		\$25 0.10%		\$25 0.09%		\$25 0.08%		\$25 0.07%		\$25 0.07%	
Other Benefits	\$14.98	\$180 0.96%	\$180 0.79%		\$180 0.72%		\$180 0.66%		\$180 0.62%		\$180 0.54%		\$180 0.51%	
Total ERE per employee		\$7,836 41.86%	\$8,720 38.11%		\$9,163 36.71%		\$9,605 35.52%		\$10,047 34.50%		\$10,931 32.84%		\$11,373 32.16%	

¹ Assumes 2,080 hours/year

² FUTA/SUTA values combined to reflect single amount.

³ Combined Social Security tax rate of 6.2% and the Medicare tax rate of 1.45% on a maximum of \$97,500 in wages.

⁴ Assumes 10 holidays, 5 vacation days, 5 sick days & 2 personal days per year.

⁵ Assumes zero days due to low participation rate for providers.

⁶ Assumes employer provides contribution to either 401(k), 403(b) or privately funded

ERE with 20% Turnover Assumptions

Annual Wage without Turnover	\$18,720		\$22,880		\$24,960		\$27,040		\$29,120		\$33,280		\$35,360	
ERE without Turnover	\$7,836	41.86%	\$8,720	38.11%	\$9,163	36.71%	\$9,605	35.52%	\$10,047	34.50%	\$10,931	32.84%	\$11,373	32.16%
% Turnover	20.0%		20.0%		20.0%		20.0%		20.0%		20.0%		20.0%	
Total ERE	\$6,629		\$7,415		\$7,808		\$8,200		\$8,593		\$9,379		\$9,772	
Total ERE per employee		35.41%		32.41%		31.28%		30.33%		29.51%		28.18%		27.64%

**Summary of Estimated Employee Related Expenses (ERE) & Percentage of Wages
Consultant Workgroup Recommendations**

Employee Related Expense (ERE) Assumptions - Based on Rounded CWG Recommendations (09/28)

Hourly Rate Annual Wage ¹	\$9.00		\$11.00		\$12.00		\$13.00		\$14.00		\$16.00		\$17.00	
	\$18,720		\$22,880		\$24,960		\$27,040		\$29,120		\$33,280		\$35,360	
FUTA / SUTA ²	0.55%	\$39 0.21%	\$39 0.17%		\$39 0.15%		\$39 0.14%		\$39 0.13%		\$39 0.12%		\$39 0.11%	
FICA ³	7.65%	\$1,432 7.65%	\$1,750 7.65%		\$1,909 7.65%		\$2,069 7.65%		\$2,228 7.65%		\$2,546 7.65%		\$2,705 7.65%	
Workers' Compensation	1.75%	\$328 1.75%	\$400 1.75%		\$437 1.75%		\$473 1.75%		\$510 1.75%		\$582 1.75%		\$619 1.75%	
Legally required benefits	9.95%	\$1,798 9.61%	\$2,189 9.57%		\$2,385 9.55%		\$2,580 9.54%		\$2,776 9.53%		\$3,167 9.52%		\$3,362 9.51%	
Paid Time Off ⁴	25 days/yr	\$1,800 9.62%	\$2,200 9.62%		\$2,400 9.62%		\$2,600 9.62%		\$2,800 9.62%		\$3,200 9.62%		\$3,400 9.62%	
Extended Illness Benefit ⁵	0 days/yr	\$0 0.00%	\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%	
Other Benefits														
Retirement Plan ⁶	0.00%	\$0 0.00%	\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%	
Health Insurance	\$288.00	\$3,456 18.46%	\$3,456 15.10%		\$3,456 13.85%		\$3,456 12.78%		\$3,456 11.87%		\$3,456 10.38%		\$3,456 9.77%	
Dental Insurance	\$0.00	\$0 0.00%	\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%	
Vision Insurance	\$0.00	\$0 0.00%	\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%		\$0 0.00%	
Other Benefits	\$30.00	\$360 1.92%	\$360 1.57%		\$360 1.44%		\$360 1.33%		\$360 1.24%		\$360 1.08%		\$360 1.02%	
Total ERE per employee		\$7,414 39.61%	\$8,205 35.86%		\$8,601 34.46%		\$8,996 33.27%		\$9,392 32.25%		\$10,183 30.60%		\$10,578 29.92%	

¹ Assumes 2,080 hours/year

² FUTA/SUTA values combined to reflect single amount.

³ Combined Social Security tax rate of 6.2% and the Medicare tax rate of 1.45% on a maximum of \$97,500 in wages.

⁴ Assumes 10 holidays, 5 vacation days, 5 sick days & 2 personal days per year.

⁵ Assumes zero days due to low participation rate for providers.

⁶ Assumes employer provides contribution to either 401(k), 403(b) or privately funded

ERE with 20% Turnover Assumptions

Annual Wage without Turnover	\$18,720		\$22,880		\$24,960		\$27,040		\$29,120		\$33,280		\$35,360	
ERE without Turnover	\$7,414	39.61%	\$8,205	35.86%	\$8,601	34.46%	\$8,996	33.27%	\$9,392	32.25%	\$10,183	30.60%	\$10,578	29.92%
% Turnover	20.0%		20.0%		20.0%		20.0%		20.0%		20.0%		20.0%	
Total ERE	\$6,291		\$7,002		\$7,358		\$7,713		\$8,069		\$8,780		\$9,135	
Total ERE per employee		33.61%		30.60%		29.48%		28.52%		27.71%		26.38%		25.83%

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Appendix 4

Productivity Assumptions

July 11, 2008

Appendix 4
Summary of Productivity Factors

Factor	Productivity Factors Reported through the Provider Survey																				
	HCBS Services							DTT Services					Dev. Home Services			Gr. Home Serivces				Prof. Services	
	Attendant Care	Habilitation, Comm. Prot, Hourly	Habilitation, Support	Housekeeping	Respite, Hourly	Respite, Continuous	Habilitation, Ind. Designed Liv.	Day Treatment, Adult (Facility)	Day Treatment, Adult (Community)	Day Treatment, Child (After-Sch, Facility)	Day Treatment, Child (Summer, Facility)	Day Treatment, Child (Summer, Community)	Developmental Home, Child	Developmental Home, Adult	Developmental Home, Room/Board	Habilitation, Comm. Prot Group Home	Habilitation, Group Home	Habilitation, Nursing Supp Group Home	Room/Board, All Group Home	Nursing	Home Health Aide
# of Visits	2.3	2.0	2.3	3.5	1.7	1.0	1.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.2	NR
Visit Length	3.4	4.0	2.9	2.0	4.3	18.0	7.9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.0	NR
Travel Time																					
Staff hours per day	0.50	0.75	0.66	0.50	0.50	0.50	0.43	0.94	NR	0.50	1.50	1.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.25	NR
Program/Staff miles per Day	15.23	10.00	13.88	6.00	12.65	12.00	11.05	21.50	20.00	6.00	15.00	16.50	2.19	2.00	N/A	6.57	21.36	39.47	N/A	100.00	NR
Time allocated to notes/med records																					
Included in Direct Service Time? ¹	97.6%	0.0%	99.2%	100.0%	90.0%	100.0%	99.7%	67.6%	36.7%	100.0%	100.0%	0.0%	N/A	N/A	N/A	83.3%	58.3%	100.0%	N/A	0.0%	NR
Reported Average (hrs / day)	0.25	0.25	0.25	0.00	0.00	0.00	0.00	0.50	0.25	0.00	0.50	0.25	N/A	N/A	N/A	1.50	0.00	0.00	N/A	0.25	NR
Time allocated to program set up/take down	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.50	0.50	1.00	0.25	0.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NR
Down Time																					
Percent Specified No Down Time ¹	85.9%	0.0%	78.6%	0.0%	80.0%	0.0%	66.9%	25.0%	31.7%	0.0%	0.0%	50.0%	N/A	N/A	N/A	50.0%	72.8%	100.0%	N/A	100.0%	NR
Per Week	1.50	NR	0.25	1.00	0.25	>1.50	0.25	0.50	0.50	0.50	0.25	0.25	N/A	N/A	N/A	0.25	0.25	0.00	N/A	0.00	NR
Per Day (Per Week ÷ 5)	0.30	NR	0.05	0.20	0.05	0.35	0.05	0.10	0.10	0.10	0.05	0.05	N/A	N/A	N/A	0.05	0.05	0.00	N/A	0.00	NR
Training Time																					
Per Year ²	20.89	N/A	19.04	0.00	17.33	17.33	39.04	36.59	36.59	24.87	24.87	24.87	88.00	68.29	N/A	73.32	40.09	80.00	N/A	23.50	NR
Per Day (Per Year ÷ 260)	0.08	N/A	0.07	0.00	0.07	0.07	0.15	0.14	0.14	0.10	0.10	0.10	0.34	0.26	N/A	0.28	0.15	0.31	N/A	0.09	NR
Per Year ³	14.99	10.00	17.57	10.67	13.23	24.00	24.43	27.60	24.90	20.00	15.00	11.30	N/A	N/A	N/A	59.50	27.50	33.30	N/A	11.00	NR
Per Day (Per Year ÷ 260)	0.06	0.04	0.07	0.04	0.05	0.09	0.09	0.11	0.10	0.08	0.06	0.04	N/A	N/A	N/A	0.23	0.11	0.13	N/A	0.04	NR
Time allocated to missed appointments																					
Number Appts missed / Week	0.66	1.00	0.51	1.00	6.69	0.00	0.09	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00	NR
Average Appointment Length	3.37	4.00	2.88	2.00	4.34	18.00	7.88	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.00	NR
Allocation per Day (#/Wk * Len ÷ 5)	0.44	0.80	0.29	0.40	5.81	0.00	0.14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00	NR

N/A: Question does not apply to service

NR: No survey responses received

¹ Percent corresponds to "Yes" responses weighted by Direct Service FTEs

² Amount reported by job classification

³ Amount reported within productivity by service

Factor	Daily Productivity Factors, CWG Recommendations																				
	HCBS Services							DTT Services					Dev. Home Services			Gr. Home Services				Prof. Services	
	Attendant Care	Habilitation, Comm. Prot, Hourly	Habilitation, Support	Housekeeping	Respite, Hourly	Respite, Continuous	Habilitation, Ind. Designed Liv.	Day Treatment, Adult (Facility)	Day Treatment, Adult (Community)	Day Treatment, Child (After-Sch, Facility)	Day Treatment, Child (Summer, Facility)	Day Treatment, Child (Summer, Community)	Developmental Home, Child	Developmental Home, Adult	Developmental Home, Room/Board	Habilitation, Comm. Prot Group Home	Habilitation, Group Home	Habilitation, Nursing Supp Group Home	Room/Board, All Group Home	Nursing	Home Health Aide
Values Rounded Up																					
- Travel Time	Service Specific							Service Specific					Service Specific			Service Specific				Service Specific	
- Time allocated to notes/med records	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.00	0.25	0.00
- Time allocated to program set up/take down	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Service Specific					0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Down Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.10	0.10	0.10	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Training Time	0.15	0.25	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.25	0.15	0.15	0.15	0.15	0.15
- Time allocated to missed appointments	Service Specific							0.00 0.00 0.00 0.00 0.00 0.00					0.00 0.00 0.00			0.00 0.00 0.00 0.00 0.00				0.00 0.00	

Note: Highlighted areas: No consistent methodology, values are to be determined for each specific service.